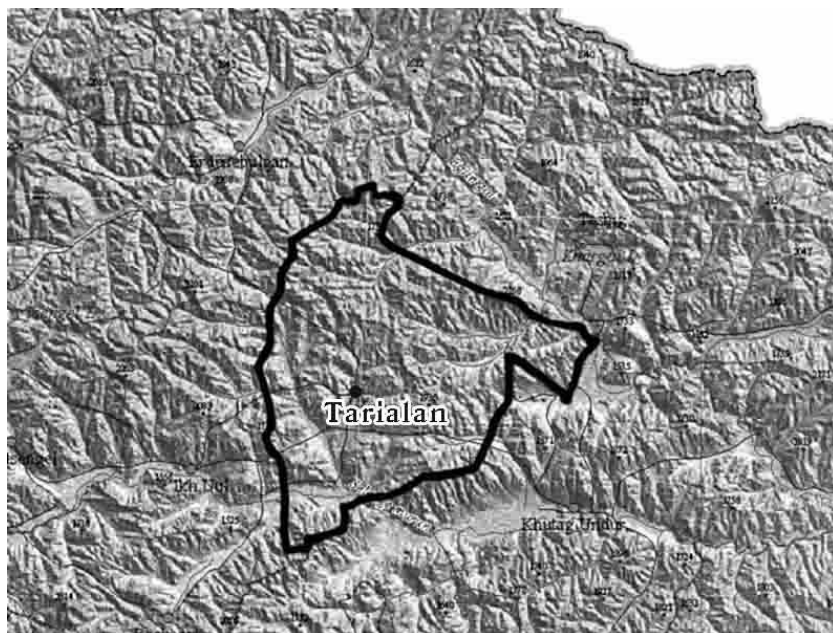

SOUM ECONOMIC DEVELOPMENT STRATEGY 2007 – 2015



Badrakh, 2007



Open Society
Forum



Local Government &
Public Service Reform
Initiative



Center for Policy
Research



Tarialan soum

This strategy has been written by the soum administration and the soum core team with the input and contribution of soum citizens, representatives of public institutions and enterprises with advice from the Open Society Institute, «Local Government and Public Service Reform Initiatives», the Open Society Forum and the Centre of Policy Research. The OSI, LGI and OSF take no responsibility for the content of this strategy.

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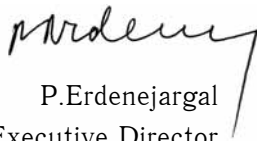
Foreword

Some of the foremost development goals for transition economies, like Mongolia, include creating favorable business-enabling environments for the newly emerged private sector and designing integrated, multifaceted and self-committing plans for local economic development (LED).

Over the past two years the Open Society Institute and Open Society Forum have initiated a process in 4 Mongolian soums to build local stakeholders' capacities to better plan and manage future development needs. This process, called «Developing Economies Locally through Action and Alliance» (DELTA), was adapted from previous OSI and World Bank experiences in Eastern Europe. The principle idea was to bring together large segments of the local population, including the government, the private sector and civil society to analyze possible opportunities, create a vision, goals and objectives and then to elaborate specific and prioritized projects and steps to achieve that vision.

This strategy document which you have in front of you, and the implementation process that has been initiated, are two of the primary tangible outcomes of the project. What is less visible are the new partnerships for development that have been formed at the soum level and the new way in which the soums are «doing business», i.e. in a more inclusive and participatory fashion. The planning methodology can and should be applied to various other decision-making processes in future.

We would like to avail of this opportunity to express our gratitude to the people of Tarialan soum, Khuvsgul aimag, as well as the Center for Policy Research and all other experts who contributed to the successful development of this strategy.



P. Erdenejargal
Executive Director
The Open Society Forum



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Deputy Director
Local Government and Public Service
Reform Initiative
OSI-Budapest

Acronyms

| | |
|--------|--|
| DELTA | «Develop economy locally through alliance and action» |
| LEDs | Local economic development strategy |
| LBES | Local business environment survey |
| SME | Small and medium enterprise |
| SEDS | Soum economic development strategy |
| SGO | Soum Governor's Office |
| SCRKh | Soum Citizens' Representative Khural |
| PSCRKh | Presidium of the Soum Citizens' Representative Khural |
| OSI | Open Society Institute |
| OSF | Open Society Forum |
| LGI | Local Government and Public Service Reform Initiatives |
| CPR | Centre of Policy Research |
| MTS | Machino-Tractor station |

Vocabulary

| | |
|---------|--|
| Aimag | A rural highest administrative unit (province) |
| Soum | A mid-level administrative unit under aimag |
| Bag | The lowest administrative unit under soum |
| Negdel | Agricultural cooperatives that existed during the centrally planned economy and ceased to exist from early 1990s |
| Ger | A traditional dwelling known elsewhere as yurt or tent |
| Khashaa | An enclosure/fence in ger district put around certain land plots to separate one from other |



Governor's address

Resulting from the completion of the main elements of the transition to a market economy accompanied with signs of increasing prosperity of the national economy, the need to determine the directions of local economic development is becoming actual and challenging. A unique window of opportunities was allocated to our soum to be the site for OSI «Initiatives of reform of local government and public service» program and OSI/OSF «Develop economy locally through alliance and actions» project. Thanks to the financial and technical support of the donors, the process of developing a mid-term soum economic development strategy has been successfully completed.

In this changing context, local soum governments, as well as business enterprises and other organizations have to rethink their development strategies in order to cope with and to take advantage of changes and reforms. The process of creation of the soum economic development strategy that describes common development visions and objectives provided evidence of public commitments to making significant steps towards new development frontiers. Through consolidated cooperation and partnerships between the government and private sector of the soum, the DELTA brought fresh information and ideas for the improvement of the environment for soum economy and businesses to grow. This propagates a common belief that the probability of successful implementation of the new economic strategy will be high.

Projects that carefully address the outstanding development problems and local specific capacities are given the highest importance as inseparable part of the whole strategy.

The strategy is closely integrated with tasks to improve public services to private business and the service sector and improving the environment for local businesses to grow and expand. Thus, the implementation of the strategic projects and directions of soum business promotion hopefully will contribute to the solving of key socio-economic issues like SME development, new job creation and poverty reduction, and increased local budget revenues.

The shortage of government budget and poor availability of financial sources has been as one of the main reasons for weaker development of production and services in rural areas, especially in soums. It has been already known that short-term measures are proven insufficient to support and promote continued economic growth. Thus, it has become crucial to seek and initiate ways of solving this issue in an innovative provocative and efficient manner. The choice was made of methods of strategic planning, which end up with projects as an extension of mid-term vision and goals of local economic development strategy. The use of key elements of modern development planning has provided a principally new approach towards promoting soum economic growth.

Selection of project-based economic development strategic planning as a replacement to an out-dated activity planning approach allows upgrading of the potential of soum economy and businesses to access and absorb various government/local budgets, donor investments, and other financial sources more efficiently than before.

A successful and competitive selection amongst over 330 soums nationwide to serve as a site for DELTA project was a decisive starting point. The whole process of designing a document, known as a soum economic development strategy, through mobilization of all commitments and efforts of soum government and citizens, provided possibilities to evidence how actual and challenging issues of the soum can be identified and translated into long-term strategic development goals. This also shows a good example how a soum economy can be promoted based on improved local policy and well-interlinked strategy for development and integration of local commitments and active partnerships.

A brochure, which outlines all components and subcomponents of the mid-term strategy for the economic development of our soum, designed jointly by soum administration, citizens, businesses and community organizations with the methodological guidelines and day-to-day supervision of prestigious international donors and a national consulting agency, has been published. As a rule, the commitment and willingness of soum communities to put all their best efforts and devote their experiences and resources are of extreme significance for achieving the strategic vision and goals/projects. Nevertheless, no large outcomes can be expected unless the central/aimag governments, donors, international organizations, domestic and foreign investors and financial partners deliver their assistance and support.

We take this opportunity, therefore, to express our commitment towards welcoming all valuable incentives and initiatives taken by donors, investors, financial and civil organizations to cooperate with the soum societies and to assist them for the prosperity of our soum and success in its economic and community development.

Ts. Khuvsiguldalai
The Soum Governor

Introduction

As part of nationwide socio-economic reforms in Mongolia, the soum administration and businesses must pay more attention to and further expand upon the current development-oriented changes in the life of our soum and work to distribute evenly the benefits of development to all stakeholders.

New development goals have given the soum communities the task of strengthening the capacity of local businesses to compete for new markets as the basis for future prosperity. The soum economy has experienced strong progress over the years of the transition to a market economy. Prior to the transition, production and services in the soum were fully dominated by large state owned enterprises, which now have been taken up by small and medium private businesses.

The time has arrived to initiate strong measures and real action to attract investors and donors to help finance economically sustainable development at the soum level. There is a great need to deepen the partnerships between local government and private sector with an eye towards improving local business-enabling environment. The public services and regulations enacted by soum government and associated public organizations must respond to the challenges facing local businesses and allow them to actively work towards the advancement of the local economy.

Local administration and communities face enormous challenges to bring new concepts and approaches to create sustained economic growth, activate soum businesses and improve the quality of life of soum citizens through heightened competitiveness and productivity of local businesses.

An effective soum must work strategically to maintain and empower existing businesses as well as to create an environment for the development of new businesses and sustainable investing. This is a serious challenge for communities to work together to find better ways to make better use of existing resources and define the priority areas, which serve as the vehicle for bringing more products and services to local and neighboring markets and the backbone for designing a complete mid-term strategy for the development of soum economy. This approach has been identified as the best means for the soum to use its potentials and resources cohesively and coherently to achieve the goal of sustainable economic development.

Throughout the exercise, a core principle to work with local societies in close interactions through wider participation of soum people was strictly followed so that there are good correspondence and interrelations between the goals and objectives

as well as the projects of the strategy and the commitment and preferences of partners and stakeholders. In this way, the work on the designing a soum economic development strategy went well. Similarly, it was ensured that each portion of the different categories of stakeholders has its part in the progressing of soum economy and quality of people's life.



PART 1

COMMON ISSUES OF THE SOUM ECONOMIC DEVELOPMENT STRATEGY

1.1. Importance of the soum LED strategy as a guideline document

The completion of the task of designing this LED strategy was the direct result of the timely and responsive assistance provided by DELTA to our soum. The importance of the strategy development process can best be described as «the soum administration, businesses and citizens being provided with the unique opportunity to talk to anyone and any organization on a variety of issues concerning the priorities and challenges of soum economy, without being red-faced». The complete and enhanced document «Mid-term strategy for economic development of Tarialan soum» that illustrates local concerns and commitments can serve as a guiding document in a broad spectrum of talks and interactions.

Prior to the commencement of the DELTA project, the need to revise and re-formulate the conceptual and strategic issues concerning the future of soum development was not completely new to soum government. For many years however, this had been a great challenge for the soum administration and organizations engaged in local public services. While the issues of improving the quality, availability and efficiency of public services, the environment for enabling growth of local businesses and streamlining the efforts of government to better support local businesses had been brought to the table; the lack of well-guided methodological and professional support and information regarding the most efficient and feasible ways of formulation of long-term development strategies had been a serious stumbling block to development.

The soum government had previously made efforts to diversify local businesses into different markets and to bring about cooperation between administration and private sector. However, the means and approaches taken were simply not effective. The immediate task was to revitalize local economy and set up mechanisms that streamline economic development towards more sustainable operation and wider cooperation.

In the current situation, local businesses find it difficult to expand and diversify their businesses and almost every attempt to open new business ends in failure. One common reason often given is the lack of reliable financial sources to support business growth. Nevertheless, a weak business-enabling environment has a considerable amount of negative impact on the viability of existing and new businesses.

Regardless of the difficulties, it is time for the soum government to move away from its previous position as an inactive observer or direct interventionist and make a decisive shift to be partner and initiator, providing legal and official support to the development of local businesses to promote economic growth, new jobs and a higher quality of life.

The experiences and lessons from the process of designing the soum LED strategy confirms that the soum government is fully capable of integrating various business communities and promoting local stakeholders applying various forms of cooperative techniques. Now the motivation, support mechanisms and new mentality is available, to create efficient regulations and business organization.

The soum LED strategy developed through joint and committed inputs of the implementing agencies and our community symbolizes the future prosperity of our soum.

1.2. Background and Justification

The soum LED strategy that has been developed, with the commitment and active participation of soum communities and represents the outcome of their cooperative effort, seeking the closest and most feasible ways of participatory identification of the priority and future direction concerning the improvement of the local business enabling environment. The realization of such outstanding issues will lay the foundation for stakeholders to access the benefits of strategy implementation.

The techniques that have been applied by the soum government to implement the local development policy are powerful factors that will bring direct and indirect measurable effects on the quality of the services to foster the utilization of internal opportunities /strengths and managing the external favorable situations and maintenance/ diversification of existing businesses and attract investments.

The goal of any good government is to serve to create a favorable environment that is accessible equally to all businesses and local stakeholders. In this respect, the size of business is not that factor which links the business-enabling environment with local businesses. Therefore, a single principle had been strictly followed throughout the development process of the soum LED strategy, which is that the soum government should work and cooperate with individuals and enterprises engaged in production, processing and services without any discrimination on the basis of the ownership and size.

The LBES and SWOT analysis, which were developed prior to the strategy, provided the soum administration with valuable information and data. The findings represented local views and perceptions about the current situations and ideas concerning the future directions of soum economic development. The strategy is, therefore the result of joint and committed efforts of both the soum administration and community and represents a synergy of the dreams and desires of local people and institutions on how to reach a greater level of economic well-being.

In designing this strategy, a number of important and influential factors of the region such as the human and natural resources, current and future economic prospects and cultural and historic heritage were taken into a careful account and consideration. Finally, attempts to bring every opportunity in the strategy that is allocated by the comparative strengths of our community and commitment of soum citizens were made.

The legal basis for the creation of a soum economic development strategy is clear and reflected in the major laws of Mongolia. Local self-governance powers are sanctioned by the Article 8.1 of the Law of Mongolia on «Administrative and Territorial Units of Mongolia and Their Administration», which states that «the administration of administrative and

territorial units are empowered to organize problems associated with the local economic and social life on their own», ...»soum and district Citizens' Representative Khural shall be entitled to debate and make appropriate decisions on local economic and social, and organizational issues». Article 18.2.1 of the same law permits local government to take a leading role in local development planning saying «approve long and short-term directions of territorial economic and social development and amend such directions».

It would have been impossible to create this strategy without the tremendous support and input of the private sector. The process created great expectations among the soum citizens, inducing a common understanding that all stakeholders who have contributed to the design of the strategy should be aware of their responsibility for the materializing the local expectations with successes and likely outcomes from the strategy.

All citizens, businesses and the local administration sincerely hope that the strategy, which represents the fruits of our cooperative effort, will be successfully implemented. The responsible allocation of existing resources, capacities and strengths will help us achieve our vision, through the successful implementation of our community-defined development and business promotion directions, so that the community could share the benefits.

The mid-term soum economic development strategy of Tarialan soum was approved by the decree of the 6th session of the SCRKh of July 08 2007. The members of the Khural expressed their satisfaction that the most important agendas challenging the soum administration towards improving the business-enabling environment have been incorporated in the strategy.

1.3. The philosophy behind the soum LED strategy

The overall theme of the strategy has been designed to facilitate efforts and participation of local stakeholders for the improvement of the local business-enabling environment and the identification of the primary directions in which donors and investors can best address local needs with assistance and support. The soum LED strategy has been developed from the local knowledge of the soum government, businesses and public to address the immediate and long-term challenges that hinder improvement to the business-enabling environment.

The methodology utilized at each stage of strategy development draws on the most modern concepts of local economic development.

The major approaches of the soum LED strategy are:

- To improve the quality of public services, achieve a constant economic growth through strong links between the development strategy and all levels of the soum community.
- Based on local knowledge and ideas, the community determines projects that could be pursued by the soum government to facilitate the expansion of existing, and creation of new, businesses through improved environment for business development.
- Provide tangible examples to the community on how the process of creating a long-term community vision, with goals and objectives can be set as a strategy through the collaboration and creativity of local decision makers and communities.
- Among local communities, create a common understanding and acceptance of LED planning as a tool that leads local stakeholders towards the promotion of local economic progresses and creative participation and contributions
- To provide local businesses and public service providers with the opportunities and potential to utilize the strategy as a community-devoted tool to approach potential donors and investors who can provide sources of financial and technical assistance
- Create an environment that fosters by a collaborative climate, enables transparent and effective governance and responds to the needs and challenges of the community for the development of a prosperous economy and businesses.



PART 2

THE PROCESS OF DEVELOPMENT OF THE SOUM LED STRATEGY

2.1. Guiding principles and Methodology

The soum LED strategy development process followed a strict methodology, which enabled us to take advantage of various means of encouraging a wider and more committed participation of soum citizens. The community at large was able to take part through the LED structural units, consultations, and general discussions. The voices of different segments of society were heard and taken into consideration through grassroots participation, which allowed us to find a common and comprehensive solution to the issues preventing sustainable economic growth in our community.

Guiding principles. The guiding principles for the successful creation of the strategy were:

- Economic growth and business development must be balanced with challenges in social life, environmental protection and quality of life of all citizens in the community.
- The local government has a role to play in the improvement of the climate for local business development and investment.
- Facilitate public-private collaboration and partnerships to develop sustainable economic growth.
- Application of a holistic approach towards strategic planning that is institutionalized at the soum government level
- Give as much importance to sustaining existing business as to the attraction of new business as both are the key to sustainable economic growth.
- Focus more attention to mobilization and utilization of internal resources and strengths rather than relying totally on external resources for development.
- Use a participatory approach as a collective decision-making tool to pursuing soum economic development policies and strategy

Methodology. The core DELTA methodology was developed and widely applied by the World Bank and OSI/LGI to the design of economic development strategic plans for several communities in Kosovo and Albania. This methodology is considered the best and most systematic among other methods for managing the LED process; ensuring a consensus among the soum community for well-grounded development of a vision statement, goals and objectives and individual development projects that specifically support the business enabling environment.

The basics of the methodology that applied to the design of the soum LED strategy rested upon the coordination of local efforts and resources towards achieving sustained economic growth and better quality of life of soum citizens through creation of a well-balanced environment for advancement in local business development.

2.2. Organizational Approach and Regulation

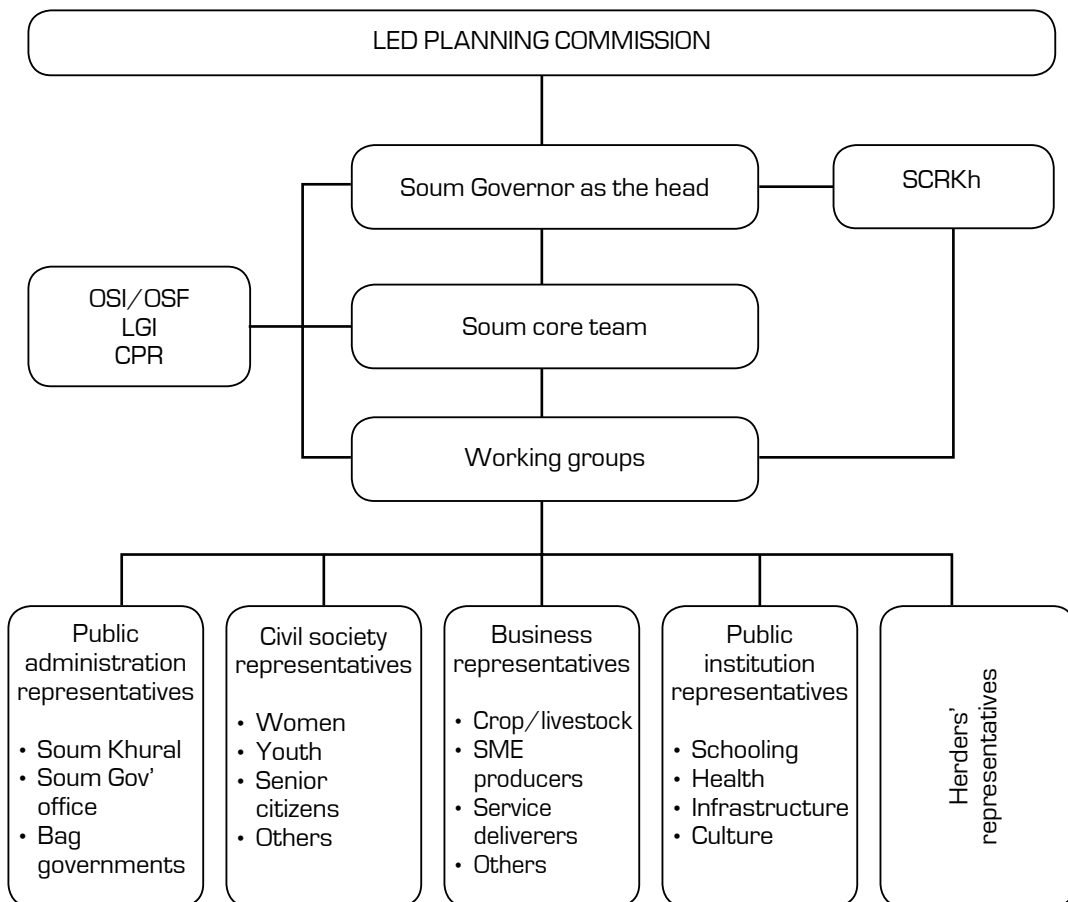
The organizational approach applied to the strategy development was devoted to ensuring a partnership-based participation of the soum administration and representatives of local stakeholders through a direct and institutionalized process.

This participation was enabled through the establishing an independent and institutionalized structure responsible for development, implementation and monitoring of the soum LED strategy and sanctioned either by the soum Khural or the soum Governor.

The Planning Commission. The Planning Commission was set up by decree #6 of the soum governor of January 24 2007. This Commission headed by the soum governor is the main decision-making body for all issues related to the design, supervision and monitoring of the implementation of the strategy. The Commission includes the most experienced and committed citizens and served as a good environment for fruitful discussions, consultations and efficient decision-making. Apart the governor, chairman of soum Khural and members of the soum core team, the Commission includes 2-3 people from each of the working groups, which are underneath of it.

The Commission played a lead decision-making role throughout the process; developing reviewing and approving the strategy each step of the way. It will continue to remain active over the life-span of the strategy as a coordinating body. Apart from being

Representation of local stakeholders in soum LED strategy development process



the body largely involved in the coordination of the design of LED strategy, the Commission played an important role in ensuring broad and committed participation and dialogue between different layers of public and private establishments.

The composition of the Planning Commission:

- | | |
|---|--|
| <ol style="list-style-type: none"> 1. D.Batjargal Deputy Governor, Representative of soum Citizens' Khural 2. S.Munkhuu Tax officer, SGO & Head, Women Association 3. S. Lkhamjaw Director, «Batzol» LLC 4. S.Badamsuren Inspector, Veterinary and livestock breeding, SGO 5. S.Erdenedalai Land officer, SGO 6. B.Purevdorj Accountant, «Altan Duulga» LLC | <ol style="list-style-type: none"> 7. J.Ganbat Director, «Khuvsugul Duulga» LLC 8. L.Gerelkhuu Head, Soum hospital, Representative of soum Citizens' Khural 9. Ch.Sarantuya Social worker, SGO 10. S.Zorigt Head, Cultural centre, leader, Soum youth association 11. D.Oyunchimeg Local mass media correspondent 12. Yo.Batzorig Manager, Business development of- fice |
|---|--|

The soum core team. A nucleus body that played and will continue to play crucial roles in the development of the soum LED strategy and ensuring its implementation is the core team. The team served as the working organ to interact with the DELTA management and the executing agency and the local stakeholders and other partners interested in and committed to the development of the soum. The involvement of local stakeholders of different professional background in the team such as economists, business manager and social development specialist served as a good vehicle that enabled a successful completion of the creation of soum LED strategy



- | | |
|---|---|
| <ol style="list-style-type: none"> 1. D.Batjargal Soum Deputy Governor 2. Ts.Khuvsuguldalai Soum Governor | <ol style="list-style-type: none"> 3. S.Lkhamjaw Director, «Batzol» LLC 4. S.Munkhuu Tax officer, SGO, Head, Soum women Association |
|---|---|

The Working Groups. There are set up five working groups advisory to the Planning Commission, involving representatives of key stakeholders. One of the members of the core team heads each group. The idea of establishing working groups was to bring an extended presentation of the local stakeholders in the process. In our case, the working groups acted a liaison body between the grassroots and the soum DELTA management.

Public Administration Representatives:

1. **Ts.Khuvsguldalai**
Soum governor & representative,
aimag Citizens' Representatives Khural
2. **D.Batjargal**
Deputy Governor, Representative,
soum Citizens' Khural
3. **L.Lkhagvasuren**
Head, Governor's office, Representa-
tive, soum Citizens' Khural
4. **Ts.Tuvshinbayar**
Chairman, Soum Citizens' Represen-
tatives Khural
5. **D.Badamnyam**
Inspector, Social Insurance, SGO
6. **S.Badamsuren**
Inspector, Veterinary & livestock
breeding service
7. **S.Erdenedalai**
Land officer, SGO
8. **B.Jamvaldorj**
Governor, «Mandal» bag
9. **J.Sharavdavaa**
Governor, «Bayankhoshuu» bag
10. **L.Nyamsuren**
Governor, «Selenge» bag
11. **B.Danzan**
Governor, «Tavantolgoi» bag
12. **D.Badrakh**
Governor, «Davaany ar» bag
13. **Kh.Chuluun**
Governor, «Ar tarkhi» bag



Business Representatives:

1. **S.Lkhamjaw**
Director, «Batzol» LLC
2. **J.Ganbat**
Director, «Khuvs gul Duulga» LLC
3. **G.Purevdorj**
Director, «Altan Duulga» LLC
4. **M.Bayarmaa**
Manager, «Khoyor Bogd» LLC
5. **Ts.Tsevelmaa**
Account, «San Jargalant» LLC
6. **Ya.Ouyuntuya**
Owner, «Nyamtuya» cooperative
7. **B.Purevdorj**
Accountant, «Altan Duulga» LLC
8. **G.Oyunbileg**
Accountant, «Batzol» LLC



Public Service Representatives:

1. **L.Gerelkhuu**
Head, Soum hospital
2. **Ch.Sarantuya**
Social worker, SGO
3. **Khishigjargal**
Head, Soum kindergarten
4. **B.Erdenebaatar**
Head, Soum cultural center
5. **V.Namganjaw**
Director, Soum communal service centre
6. **D.Temuul**
Inspector, Nature and environment protection, SGO
7. **Baigal**
Head, Soum Telecom branch

Herders' Representatives:

1. **Batmunkh**
Herder, Davaany ar» bag
2. **Altangerel**
Herder, «Tavantolgoi» bag
3. **Ganzorig**
Herder, «Selenge» bag
4. **D.Tsogoo**
Herder, «Bayankhoshuu» bag
5. **D.Ulziibayar**
Herder, «Bayankhoshuu» bag
6. **Erdenechuluun**
Herder, «Tavantolgoi» bag

Civil Society Representatives:

1. **S.Munkhuu**
Tax officer, SGO, Head, Soum women Association
2. **Yo.Batzorig**
Manager, Business development office
3. **Yo.Altansuvd**
Local staff, ADRA
4. **Batmunkh**
Leader, Soum senior citizens' association
5. **D.Oyunchimeg**
Local mass media correspondent
6. **G.Davaasuren**
Lama, local Buddha temple

**2.3. Stakeholders' Participation and Consultation**

For a long time, the local government and community has been faced with a critical challenges to develop long-term and well-conceptualized soum economic and business development directives that are SMART and locally-accepted. However, the methodology of strategic planning was not understood, and the techniques for attracting wide and



committed participation from soum stakeholders were not well developed. The great majority of local people considered development planning a responsibility of the local administration and did not believe they could contribute to the process.

Measures were taken from the inception stage of DELTA implementation, to raise local awareness and commitment to contributing to the development process. The local business-enabling environment survey and SWOT analysis were pioneering activities, involving a broad range of local citizens, businesses and civil society. In addition, a large number of public awareness promotion activities were undertaken through public media. Because of this effort, an overwhelming majority of soum citizens had access to and gathered information about the DELTA project. This created tremendous awareness and promoted local interest in the project.

All together, about 50 people representing the soum administration, businesses, public services, donor-sponsored projects, and local NGOs were directly involved in the process. The continued efforts to involve more people and organizations in the soum LED strategy development brought about changes in the mentality of the local society making them feel true ownership over the project and its outcomes.

2.4. Business Enabling Environment Survey

The best analytical tool available for looking at the current status of soum socio-economic development, its competitive advantages and challenges is the implementation of the enhanced local business enabling environment survey (LBES) supported by locally-valuable statistical data.

The LBES survey, which included 41 groups of questions designed to identify local perceptions of the business development and the environment in which the local businesses are operating as well as collect data concerning the basic spheres of the soum economic and social life over the last 5-10 years. The LBES data, served as the main source for the conclusions developed in the subsequent SWOT analysis.

The private sector, through the LBES, identified the current role that the government plays in soum economic advancement and ensuring a favorable business environment.

The areas upon which the survey focused were:

- (i) to gather data, materials and evidence that will help to understand this primary concerns of local businesses;

- (ii) to collect data that qualifies the existing strengths and weaknesses in soum socio-economic life and the problems local businesses face in attaining growth of their businesses.
- (iii) to track local views and perceptions to be familiar with the needs and challenges of improving business enabling environment.

It is worth to notice that the soum stakeholders paid attention to ensure arrangements for the creation of LED strategy were in place at all levels. The wide involvement of local stakeholders in the survey and inclusion of their suggestions and perceptions in different components of the soum LED strategy facilitated the process of achieving a common understanding with reference to the needs of local development. The concerns and perceptions of business groups will and remain a strong influence on the soum economic growth are incorporated in the soum LED strategy.

The findings of the LBES also serve as long-term guidelines for soum economic development based on strong public-private partnerships and regular monitoring and revision of the strategy.

2.5. SWOT Analysis

A comprehensive SWOT analysis was undertaken to compile the findings of the LBES and to draw viable conclusions for the current and future situation of soum economic development and to determine strategic options for the solving problems related to the business-enabling environment. The SWOT analysis touched upon the main problems that soum businesses have encountered and assessed the potential solutions to those issues that may appear in positive and negative manners through SWOT combinations. This approach resulted in the identification of the most specific and feasible directions for development and served as the background for the design of a soum economic development strategy.

The SWOT analysis led to the identification of strengths and opportunities as strategic perspectives to achieve better results. Appropriate activities to overcome potential weaknesses and treats were identified and drawn out. The findings of the SWOT analysis are the baseline source of information for the detailed review of the soum economic development and local business-enabling environment and for the creation of this development strategy.

The creation of the SWOT analysis relied on the analysis of soum statistics and the stakeholders' meetings, where the LBES findings were presented and discussed. Identification of the four elements of the SWOT matrices in relation to the public

service and local business development became important to devise SWOT combinations: «Strengths-Opportunities», «Strengths-Treats», «Weaknesses-Treats» and «Weaknesses-Opportunities». The outcomes of this exercise served as the foundation on which the «Vision-to-Project» matrix was developed.

2.6. Vision–Goals–Objectives–Programs–Projects

Vision statement: The vision statement reflects the commitment and long-term desires of the community and represents the destination that wishes to be in the future. The vision also guides the community towards achieving the goals and objectives of the strategy. The vision statement advocates how the implementation of the strategy could be arranged based upon the status of socio-economic development, economic capacity, natural resources, business experience, traditions and customs as well local culture.

It also provides the soum administration and citizens with a clear direction to promote and mobilize resources effectively. The vision succeeded in generating wide mid-term insights and perceptiveness on the local development, which guarantees a better coverage of the components of the strategy along with their feasibility, and achievability. Attempts were made to identify specific things that would verify the statement to show that the vision has its roots in the economic, natural, cultural and historical realities. It should be noted that the vision is flexible and can be revisable to reflective changes in the community as the strategy is implemented.

Goals: The local economic development strategy is about creating improvements that are measurable in both spatial and time dimensions. The design of the strategic goals aimed at helping the soum community decide how to formulate the outcomes of the strategy through predictable and measured changes and improvements. The first step in goal development was to determine the overarching means that will lead to the successful realization of the vision. The goals are grounded in the common and specific aspects of soum economic development and clearly identifying the feasible priority directions for the strategy. A great deal of emphasis was given to the goals so that they would provide a solid link between the vision and objectives.

Objectives: The objectives represent important tools that lead to the vision via the goals and that connects the goals with the programs and projects. The objectives set the targets and performance standards that are used for the evaluation and monitoring of the overall implementation of the strategy as well as the individual sets of goals and projects. The objectives are direct continuation of the goals. The objectives help the

community to seek ways to overcome weaknesses, exploit opportunities and deal with threats identified in the soum economic assessment.

Programs: The strategy includes a number of programs, which represent a group of similar projects that are together to achieve particular objectives, e.g. they are directly aimed to fulfill objectives. The programs are identified as an intermediate level that connects objectives and specific projects. The programs in the strategy can be latterly converted into large development programs by incorporating projects.

Projects: A conventional strategic plan, as a rule ends with an activity plan. In our case, the projects are derivatives of the programs and represent the last chain of the whole Vision-to-Project matrix. Each of the projects include a project fiche, where its overall details are outlined: project description, expected outcomes, potential contributors, preconditions and risk factors, approximated costs and predicted financing sources. The procedures of the selection of the projects were multilayered. The core team and the Planning Commission with active input of the Working groups, compiled the initial proposals, and were in charge of the overall oversight and finalizing of the projects.

A total of 35 projects with their fiches are included in the soum LED strategy.

Local Business Promotion Directions: In the view of the importance of local enterprise development for soum economic growth and community development, the strategy devoted some room accommodate local ideas for potential specific business creation. Hence, the soum economic development strategy has an attached a list of 37 specific strategic directions. The ideas about the projects came from different groups of the local communities through the working groups, consultation and public meetings.

2.7. Expected Outcomes

The DELTA strategy is expected to produce a number of direct and indirect outcomes. The major benefits are:

- The strategy will guide the soum Khural and governor's office when making annual budget proposals so that the contribution by the soum can be earmarked in the annual budget plan.
- Public-private partnerships to arrange co-financing of key projects of the strategy strengthened

- Responsibilities/roles and activities to be undertaken by organizations and agencies in the framework of the implementation of the soum LED strategy facilitated and supported
- Locally-applicable arrangements for the continued evaluation and monitoring of the implementation of the strategy adopted and maintained
- Lobbying and negotiating with potential donors and investors interested in or being involved in projects improved
- Local resources and potentials for the soum economic development identified and exploited
- Business and business enabling environment information networking improved and sustained
- Capacity of public service organizations and quality of services they offer improved

2.8. Strategy Implementation

The strategy represents an official document for the soum government, organizations and businesses to direct them on key development policies and actions. It is evolving document that requires regular review and updating. The process of the development of the LED strategy of our soum has gone through four key stages, which will continue throughout the implementation.

1. Activation of financial resources and allocation of funds
2. Realization of public-private partnerships
3. Timed monitoring and evaluation, and
4. Reviewing and updating

The timeframe for the implementation of the strategy is far longer than the political mandate of soum government. In this sense, the success of the strategy is directly dependent, on how newly appointed government will exercise its continued mandate and sustain participation of local stakeholders.

As the main body responsible for the implementation of the strategy, the soum government will make its best efforts to find and allocate funds for the financing projects. The government will handle updating and amending the strategy with new proposals and it will be in charge of getting approval of such improvements from the soum Khural.

The soum administration will therefore be responsible for coordinating implementation of both the strategy and individual projects and make sure that the strategy is reviewed and monitored. Lobbying donors, international organizations and central government for funds financial sources and technical support will remain as the key task for the government.

As the community sees more progresses in the implementation of the strategy, their interest and willingness to participate will increase. Therefore, regular review and evaluation over the status of the implementation of the strategy will be conducted with the community so that the strategy can address new requirements and challenges. Since the project is a product of the soum community, the duty to conduct E&M will be rested with the soum administration with stakeholders' participation. The role of the Planning Commission is also of extreme importance.

2.9. Strategy Implementation Management

The Planning Commission reviews and evaluates the strategy implementation. The Commission will hold 1-2 meetings annually to discuss the annual report by the leader of the core team, E&M findings, and approve and make necessary amendments. The Planning Commission will hold a general meeting to prepare an annual strategy implementation report and proposal on updating the strategy to present to the soum CRKh for approval. Even though the composition of the Commission may change, the responsibility to coordinate the overall implementation of strategy will not.

The governor's office will be fully and directly responsible for the implementation of the strategy mainly through:

- Support of the Planning Commission with adequate administration and logistics
- Coordinate and administration of activities of actors identified in the strategy and who become involved later during the implementation period
- Dissemination of information on strategy implementation and to solicit feedback to introduce new forms of information networking
- Conduct E&M every second year and prepare suggestions to make changes or amend the strategy for discussion by the Planning Commission followed by approval by the soum CRKh

2.10. Financing of the Strategy

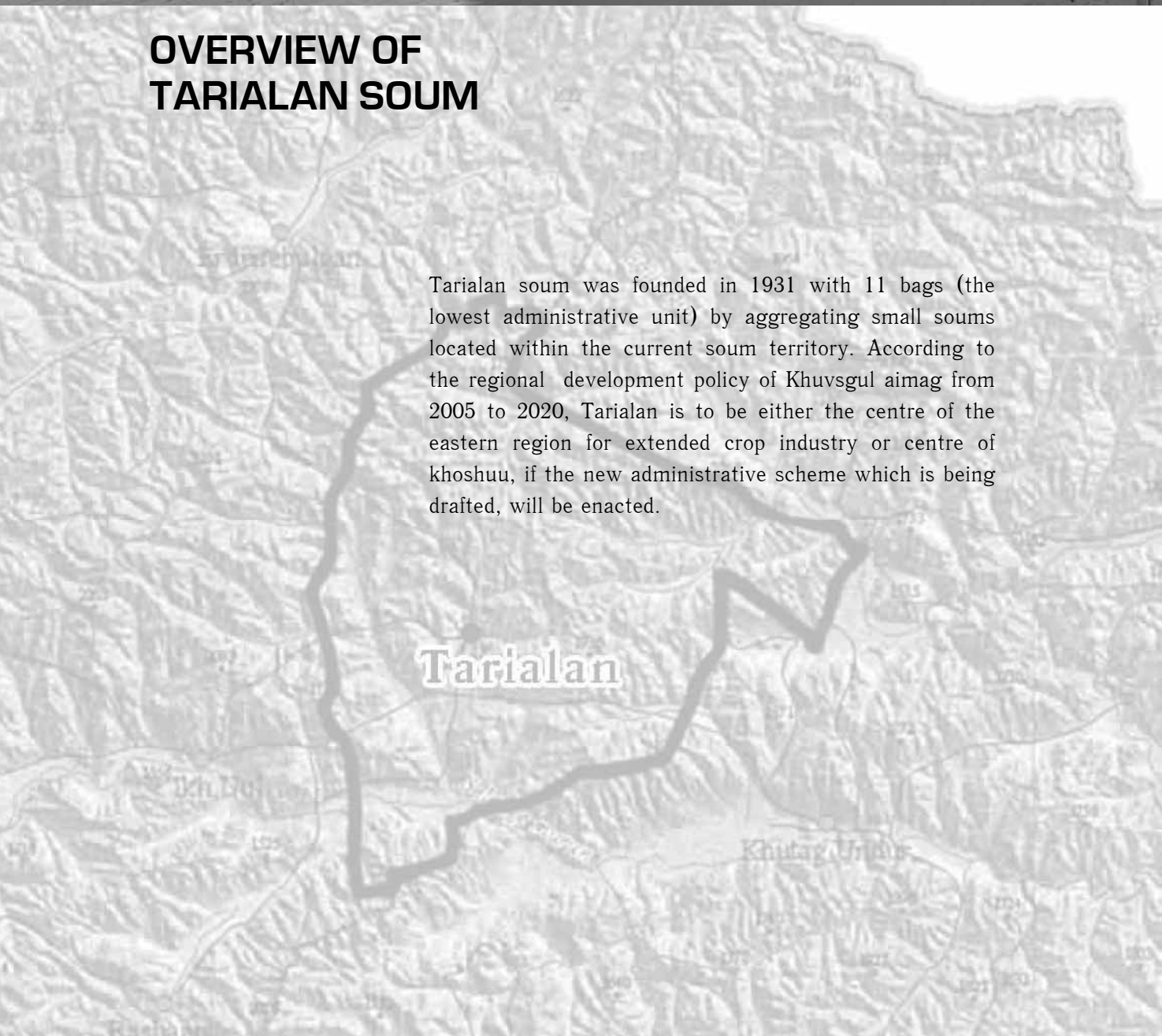
Apart from seeking investment and funding from the central budget, the soum government and other stakeholders will make significant efforts to attract other financing sources through donors, investors and other potential contributors for immediate and long-term investments. Direct local investment for the implementation of project for the promotion of local business development will provide significant opportunity to raise the financial resources for strategy implementation.



PART 3

OVERVIEW OF TARIALAN SOUM

Tarialan soum was founded in 1931 with 11 bags (the lowest administrative unit) by aggregating small soums located within the current soum territory. According to the regional development policy of Khuvsgul aimag from 2005 to 2020, Tarialan is to be either the centre of the eastern region for extended crop industry or centre of khoshuu, if the new administrative scheme which is being drafted, will be enacted.



3.1. Geography, climate and natural resources

Location and Topography. The territory of Tarialan soum, occupying 343.1 sq.km areas entirely belongs to the forest steppe zone. It shares borders with Erdenebulgan, Ikh-Uul and Rashaant soums of Khuvsgul aimag and Teshig, Khutag-Undur and Bayan-Agt soums of Bulgan aimag. The territory is dominated by lowlands elevated at 925 masl with high peaks of 2050 masl.

The centre of the soum is located at 537 km from Ulaanbaatar, 165 km from city of Murun, the centre of Khuvsgul aimag and 270 km from city of Erdenet, the core centre of the Khangai economic region. The capital city of Ulaanbaatar and Erdenet serve as the main points of supply and there are no direct crossborder outlets to reach other countries.

Land Resources: The land resources of Tarialan are diverse. The soum has identified major common tasks to utilize its fertile land for intensified beef cattle farming, wheat and fodder industry. These goals are included in the soum LED strategy.

The forest represents major natural resource in the soum with the estimated resources of 18611.5 thousand cubic meters. Out of which - 92.2% is coniferous forest with 5.7% of birches. The forests are rich in wild fruits and useful plants for both medicine and forage, and are used for wood processing and fuel. Over 60 species of medicinal plants used in oriental medicine.

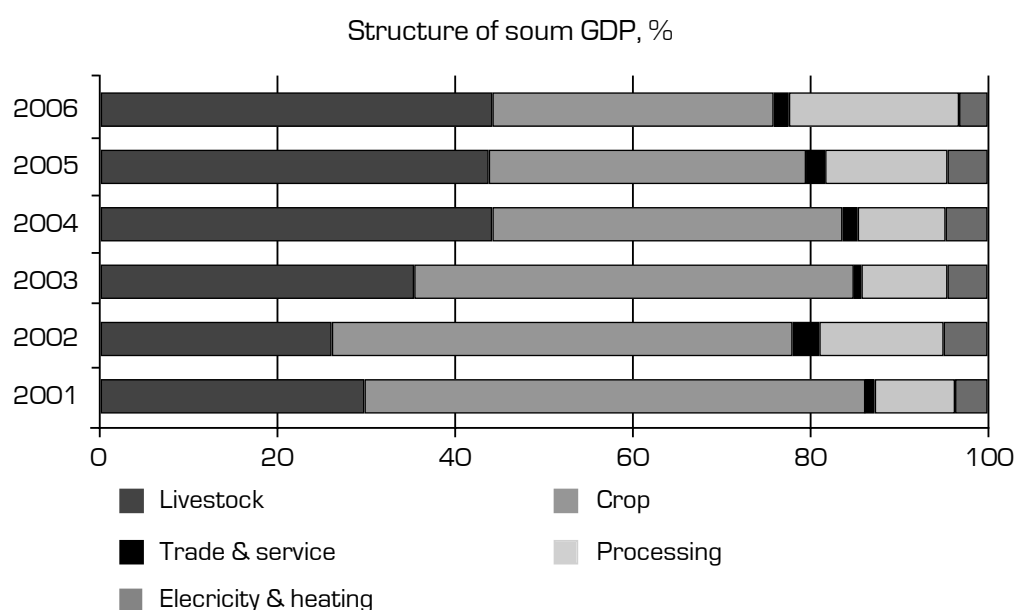
Total soum land resources and types

| Land categories | Meas. unit | Size, in hectares | Percentage in total land resources |
|--------------------------------------|------------|-------------------|------------------------------------|
| Total Area | ha | 343067 | |
| 1 Agricultural land | ha | 184930.2 | 53.9 |
| • Pasture | ha | 158178.5 | 46.1 |
| • Hayland | ha | 5370 | 1.6 |
| • Land suitable for crop production | ha | 21210 | 6.2 |
| • Cultivated cropland | ha | 6000 | 1.7 |
| • Abandoned cropland | ha | 4506 | 1.3 |
| 2 Forest | ha | 163298 | 47.6 |
| 3 Water | ha | 811 | 0.2 |
| 4 Land under roads and communication | ha | 387.4 | 0.1 |
| 5 Land under urban settlements | ha | 407.4 | 0.1 |

Climate and precipitation: The climate is sharp-changing continental. Mean annual temperature is -0.8°C with winter mean -20.2°C and summer mean $+16.5^{\circ}\text{C}$. The winter minimum temperatures in January are -38°C and the summer maximums reach $+34^{\circ}\text{C}$. Annual mean precipitation averages at 296 mm with a maximum of 440 mm in rainy years. In drought years, precipitation may decline to 140 mm. Wider fluctuations can be recorded in both the seasonal and monthly climate and precipitation.

3.2. Main and Subsectors

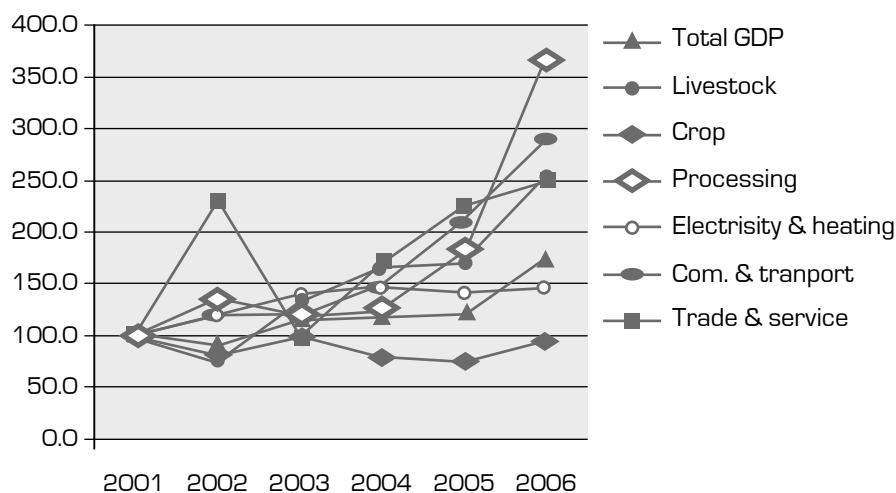
The large changes occurred in the economy of Tarialan soum throughout the transition to a market economy, are now partially underway. A private sector is comprised of small and medium enterprises, which emerged as replacement of existed state-owned livestock and crop farm and wood processing plants. The trade and service sector is embodied all by newly emerged business enterprises. The performance of government sectors such education and health experienced considerable difficulties in early transition period. They are now recovering from the depletions. All these changes have a reflection in the soum GDP. These days, a steady increase in the share of livestock production - the main soum economy sector has been observed whereas the decline in crop sector has been persistent. Contrary, rapid and extended businesses in wheat flour, alcohol/vodka and animal fodder production have increased their shares in the soum GDP in a stable manner.



As a result of the changes in the ownership and the outputs of soum businesses, the main sectors except crop production have been on the rise since 2001. Processing, communication, transportation and livestock experience a fast growth.

Crop sector persist to survive although it had been hit by sudden reforms in the national industrial sector and by harsh climate conditions over the last 5-6 years. However, some time would be required to reach the 2001 production level.

GDP growth, %



Growth of outputs of main products, '000 MNT

| Outputs | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 |
|-----------------------|--------|--------|--------|--------|--------|--------|
| 1 Grain, tons | 5867.5 | 4753.3 | 4870.1 | 6080.4 | 5058 | 3196.6 |
| 2 Potato, tons | 181.9 | 122 | 106 | 770 | 615.0 | 459.0 |
| 3 Vegetables, tons | 152 | 140 | 228 | 191 | 192.5 | 88.9 |
| 4 Natural hay, tons | 12000 | 12000 | 12375 | 12585 | 12300 | 14114 |
| 5 Meat, tons | 410 | 358 | 584.5 | 728 | 976.5 | 998.6 |
| 6 Milk, liters | 312750 | 330200 | 286110 | 330525 | 439600 | 512000 |
| 7 Cashmere, tons | 4.9 | 6.1 | 8.4 | 7.9 | 9.6 | 11.2 |
| 8 Skin, pieces | 8420 | 8400 | 12360 | 8122 | 9426 | 10046 |
| 9 Hides, pieces | 1988 | 1910 | 2667 | 1551 | 1601 | 1746 |
| 10 Flour, tons | 250 | 280 | 259.9 | 228.9 | 310 | 356 |
| 11 Bricks, pieces | 40000 | 40000 | 30000 | 40000 | 40000 | 2000 |
| 12 Chalk, tons | 4000 | 5000 | 5000 | 6000 | 8000 | 10000 |
| 13 Hard drink, liters | 3522 | 4920 | 5009.5 | 5176 | 5007.5 | 9751 |
| 14 Alcohol, liters | | | | 2100 | 7074 | 12700 |

Local stakeholders believe and support the idea that the only way to develop the soum economy is to rely on the sectors such as livestock and crop production that are best adapted to the local natural and meteorological conditions.

As of June 2006, 39 economic entities, 92 family-based businesses and 699 herding families are involved in the soum businesses

Growth of the numbers of different business entities

| Business entities | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 |
|------------------------------------|------|------|------|------|------|------|
| 1. Economic entities | 24 | 28 | 33 | 37 | 37 | 39 |
| • Shareholding company | 2 | 2 | 2 | 2 | 2 | 2 |
| • LLCs | 8 | 9 | 11 | 12 | 12 | 13 |
| • Cooperatives | 4 | 5 | 7 | 8 | 8 | 8 |
| • Partnerships | 9 | 10 | 11 | 13 | 13 | 14 |
| • Family-based businesses | 1 | 0 | 0 | 0 | 0 | 0 |
| • Joint state and private ventures | 2 | 2 | 2 | 2 | 2 | 2 |
| 2. Herding households | 799 | 817 | 773 | 729 | 710 | 699 |
| 3. Patent holders | 135 | 129 | 130 | 128 | 134 | 156 |
| Number of business entities | 984 | 1002 | 969 | 931 | 918 | 933 |

3.3. Demographic Indicators

Tarialan soum takes the lead in Khuvsgul aimag by the numbers of resident population. As of 2006, the soum counted 1436 households and 5964 people. The soum population is comprised of a number of local indigenous ethnic groups: borjigin, guruuchin, doloon guruuchin, olkhonuud, khariad, khar suregten, khar khalbagad, khongor khuukhen, tsookhoruud, tsemtsged, shandas, shargaduul, shovkhnor and erkhii mergen.

The growth rate of soum population has been stable over the last 6 years. This is the result of reduced out-migration enabled by stabilized settlements of resident citizens, favorable infrastructure development and improvements of economic and business

| Years | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 |
|-------------------|------|------|------|------|------|------|
| Total population | 6030 | 6162 | 6144 | 6011 | 5936 | 5964 |
| Active population | 2713 | 2702 | 2842 | 2547 | 2503 | 2964 |
| Employed people | 2635 | 2654 | 2788 | 2439 | 2421 | 2427 |

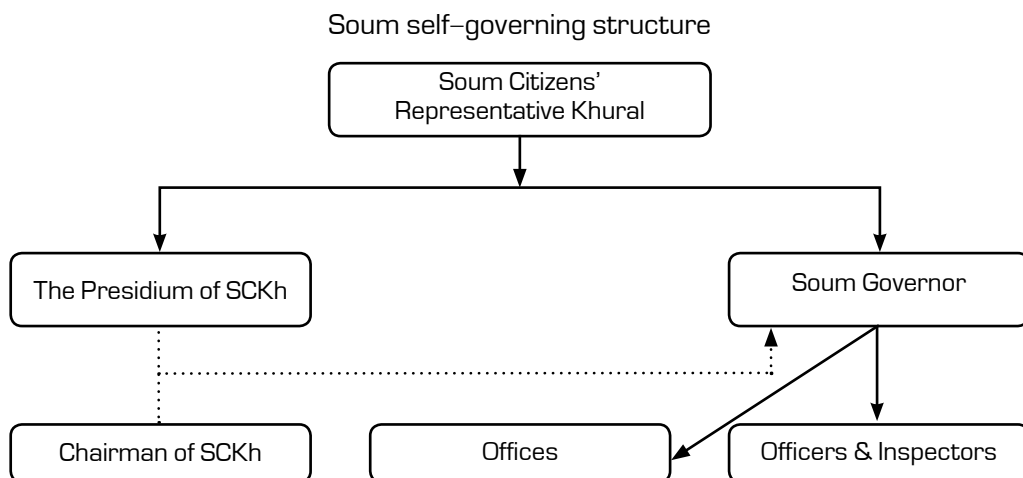
development environment. The ratio of male and female citizens in the total population is almost equaled; 2985 to 2979. 63.9% of the people of working age are employed.

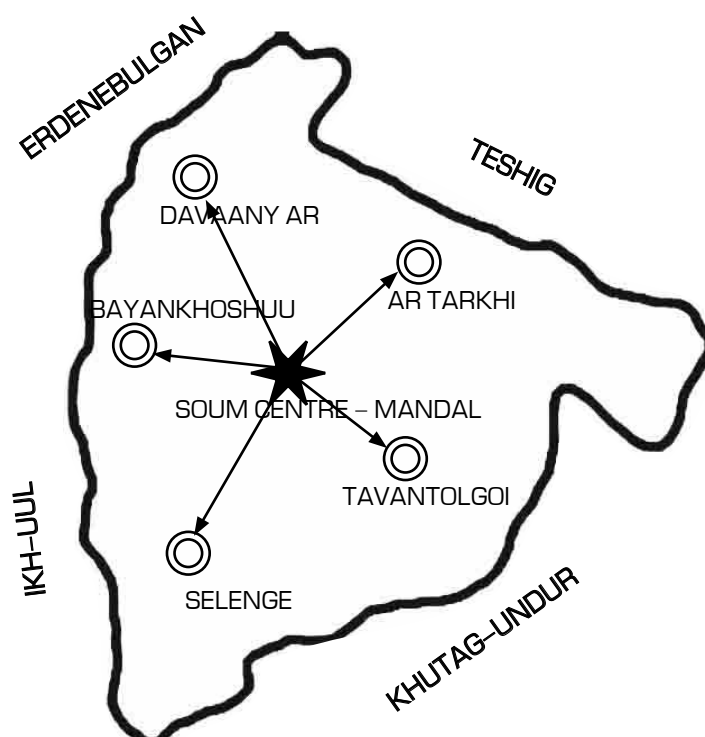
Living standard. As of 2006, well-off people share 13.3% of soum total population, 60.4% are medium income earners and 26.4% are poor and extremely poor. 2006 statistics show that 192 households fall in category of poor and 189 – extreme poor. Over the last few years, however, the number of well-off people has been increasing which demonstrate about an important development in the soum – the overall improvement of the living standard of the soum citizens. However, the priority challenges are the issues concerning the increase of the swiftness of the economic growth and create conditions for materializing the expectations of the citizens.

3.4. The local self-governing structure

The highest body of the soum self-governing structure is the soum Citizen's Representative Khural (shortly known as the Khural). The Khural has 20 members who represent the entire soum population. A number local self-governing administrative structures and officials such as the Presidium of the soum Citizen's Representative Khural and the chairman of the Khural are appointed by the Khural. The Khural makes proposal to the aimag Governor to appoint soum governor. At the lowest administrative unit, bag Citizens' Khural appoints bag governor who is involved in the structure of the soum governors' office. Administratively, Tarialan soum has 6 bags.

The Governor's office is the executing government body to the Governor. In addition to its governance duties, the office has own facilities that are exploited for the smooth running public services.





Economic Indicators of bags

| Bags | No hhs | Human population | Livestock | Cropland, ha | Distance from soum centre, km |
|--------------|--------|------------------|-----------|--------------|-------------------------------|
| Ar tarkhi | 138 | 575 | 16430 | 3969 | 65 |
| Bayankhoshuu | 167 | 706 | 30972 | 6453 | 20 |
| Davaany ar | 72 | 301 | 11031 | | 68 |
| Mandal | 743 | 3051 | 25182 | | |
| Selenge | 120 | 504 | 23422 | 128 | 25 |
| Tavantolgoi | 206 | 827 | 29680 | 10660 | 10 |
| Soum total | 1446 | 5964 | 136717 | 21210 | |

3.5. Soum budget revenues and Expenditure

The local budget of Tarialan soum has been steadily increasing since 2001 from 48.4 million to 59.7 million tugriqs in 2005. In 2006, the budget showed an abrupt increase to 73.4 million mostly due to the improvements in the national economic capacity.

Soum budget income and Expenditure

| Indicators | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 |
|---|---------|---------|---------|---------|---------|---------|
| Local budget revenue | 44185.9 | 71996.3 | 49531.3 | 44097.6 | 42153.8 | 44300.1 |
| • Income tax | 18203.2 | 21480 | 19000.9 | 11875.8 | 14073.6 | 17634.3 |
| • Fee on weapons | 554.1 | 536 | 583.5 | 538 | 538 | 446 |
| • Timber fee | 6006.6 | 6638.3 | 8738 | 7568.3 | 11697.4 | 9072.1 |
| • Land fee | 9030.4 | 11538.9 | 11886 | 10729.1 | 10608.6 | 10667.4 |
| • Fee for water use | 60 | 64.7 | 60 | 182.1 | 77.3 | 112.6 |
| • Interest and punishment | 881.9 | 1722.9 | 1001.5 | 1061.5 | 1054.5 | 1095.2 |
| Local budget expenditures | 9449.7 | 30015.5 | 8261.4 | 12142.8 | 4104.4 | 5272.5 |
| • Salary and wages | 48378.7 | 55287.9 | 46520.8 | 56608.3 | 59695.1 | 73461.0 |
| • Social and health insurance | 18250.6 | 20645.2 | 19873.3 | 24225.8 | 27294.6 | 33380.1 |
| • Electricity and heating | 3956.2 | 4751.3 | 5246.8 | 6395.5 | 7205.8 | 8812.3 |
| • Fuel | 186 | 267.6 | 239.4 | 346.3 | 379.5 | 264.3 |
| • Communication | 3950 | 4591.3 | 5610.3 | 7007.3 | 9038.6 | 10379.1 |
| • Duty expenses | 456 | 956 | 982.9 | 1714.6 | 1921.2 | 1519.2 |
| • Other expenses | 1203.5 | 2655.4 | 1386.4 | 1283.3 | 1019 | 1397.3 |
| Share of subsidy in local budget expenditures, % | 8.7 | | | 22.1 | 29.4 | 39.7 |

As summed up, the local budget revenue tends to increase. Nevertheless, no increase in its share in the soum budget expenditures has been observed.

3.6. Internal and External Relations

The Presidium and the Chairman of the Citizens' Representative Khural and the Government, businesses and public service institutions of Tarialan soum make their best efforts to hold regular contacts and working relations with aimag administration and all business, public and civil organizations based in the aimag capital. An extensive range of contacts has been established with administration and business enterprises in the national capital and other major cities. Private LLCs such as «Altan Duulga», «Batzol», «Tarialan Spirt» and «Sant Jargalant» hold membership of Mongolian Chamber of Trade and Commerce. Two large crop and flour companies («Altan Duulga» and «Batzol») have established long-term cooperation with relevant

business enterprises in Canada and Russia. Recently, the soum government signed a long-term partnership agreement with Baruun Sunud county, Inner Mongolia and launched inception activities. However, herders and family-based businesses have a weaker cooperation and collaboration with government and business communities outside the soum. The contacts that established by individuals living in the aimag centre and other aimags and cities aimed at the development of resident soum become one of the effective forms of internal relations.



PART 4

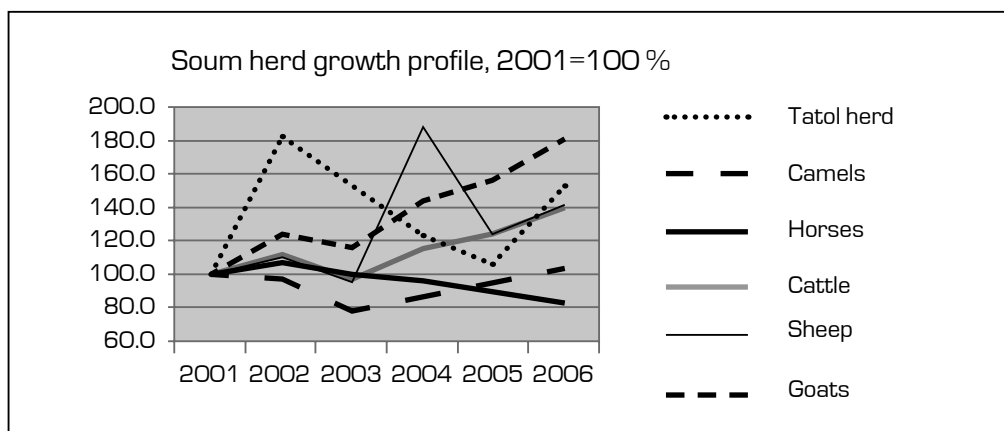
SOM ECONOMIC DEVELOPMENT

4.1. Main production sectors: current & future

Livestock. As of the end of 2006, soum had 137243 head of livestock: 26 camels, 8287 horses, 15550 cattle, 54216 sheep and 59164 goats. 1578 members of 699 herders' households are engaged in livestock sector. Private herders own 99.8% of the total herd.

Despite a little decline in 2003, the overall profile of the soum livestock herd growth shows a constant increase.

Similarly to other soums, goats grow exceptionally fast. Horses tend to decrease in their numbers and while the growth of sheep and cattle have been zigzag.



Year-to-year observable progresses are in preparation of animal fodder and improving pasture water supply. For the last two years, soum prepared 12-14 thousand tons of natural hay and 20-26 tons of concentrates. Over 60 thousand ha pasture provided with water for both human and animals. Attention is being paid towards strengthening the material basis of the private veterinary service and extends coverage of its service.

The medium-term goals for the improvement of livestock productivity involve tasks to introduce breeds Selenge and Angus as beef improvers and Black and White for dairy, and local selected strains. Intensive livestock farming, pig and poultry will be promoted to benefit from the crop sector and local market demands. Soum program for introduction of proper management of natural grazing resources and water sources along with the strategic measures for improved pastoral production and marketing will be implemented.

Crop sector. Crop production has been and will continue to be one of the backbone sectors of the economic development of Tarialan soum. The transfer of the horse-drawn haymaking team of Erdenebulgan soum to Tarialan put the entire basis of the crop sector in Tarialan soum in 1938, since then the soum begun to cultivate grain. In 1943, the haymaking team re-organized as a state-owned farm, by which grain cropping extended as the main economic activity. 5800 ha out of 21210 ha crop areas are being cultivated for wheat and barley, and fodder crops. Apart, annual production of potato and vegetables occupies 80-100 ha. The harvest of wheat ranges at 9.5-10.2 c/ha and vegetables – over 100 c/ha. 18 entities and 24 family-based businesses are engaged in crop production. Major crop producers are companies, like «Altan Duulga», «Batzol», «Khoyor Bogd», «Ar Tarkhi» and «Erkhuudiin Buudai». By installing small-capacity irrigation facilities, these companies aim to achieve sustained crop business. Nevertheless, the crop sector needs extended reconstruction of the technologies, improvement of seeds and machineries, revitalizing irrigation and introduction of zero tillage.

Processing industry. Depending on potential volumes of natural and industrial resources that exist in the soum, wheat growing and wood processing tends to develop

faster than other businesses. Flour and animal fodder production has been main activities where all locally-produced wheat and other crop raw materials and residues undergo processing. At the same time, businesses of Tarialan soum have goals to supply neighboring soums of Khuvsgul aimag with high quality flour, animal feed and super alcohol for vodka.

Business enterprises engaged in local processing industry

| | Companies and small businesses | Form | Main business directions |
|---|--------------------------------|--------------|-----------------------------------|
| 1 | Altan Duulga | Shareholding | Flour |
| 2 | Batzol | LLC | Flour |
| 3 | Ikh-Ouyut | LLC | Flour |
| 4 | Tarialan Spirt | LLC | Alcohol |
| 5 | San Jargalant | LLC | Alcohol |
| 6 | Tsend Taria | Partnership | Flour |
| 7 | Khuvsgul Barilga | Cooperative | Wood processing, chalk and bricks |
| 8 | Gurvan Badrakh | Cooperative | Wood processing |
| 9 | Batshines | LLP | Wood processing |

The main directions for the processing industry to go are to conduct a technical innovation, introduce efficient technologies and develop processing businesses of construction materials, livestock and crop products and other natural resources to satisfy the internal demand of the soum.

Trade and Service. Around 40 trading shops and service units, 13 bars and meal shops run by 11 entities and 39 individuals/family-based businesses compiles the whole range of trade and services in Tarialan soum. The priority goals that need to tackle by both government and businesses in the fields of trade and services are to address issues concerning adjusting the business environment through efficient and responsive regulations, improving the quality and culture of the service and promote cooperation among stakeholders in production and marketing. In particular, the most challenging problems are to make the services closer to herders living in remote areas and to upgrade soum road and communication networks.

4.2. Labor: supply, availability and quality

Employment. As broken down by sectors, livestock production absorbs 65% and trading and services 2.6% of total employment. 10.5% of employees work in crop sector and

4.7% in education. The decline of the numbers of employees in crop and processing sectors contrary to the growth jobs in trade and services is closely related to the recent development patterns of these sectors. The number of herders grows when the soum herd increases in size, and a decline in the livestock numbers is followed by an immediate decrease of that of herders. The same picture is with crop and processing sectors.

Age composition of soum population is concerned, people of age from 19-60 share some 70% out of 2928 of people of working age. The employment rate in 2006 was about 82%, which is in agreement with the LBES findings. Nevertheless, livestock keepers and seasonal workers are also high in numbers and livestock sector has been harboring hidden unemployment.

As grouped by sectors that provide jobs, a total of 1470 units of public and private sectors employ over 2400 people.

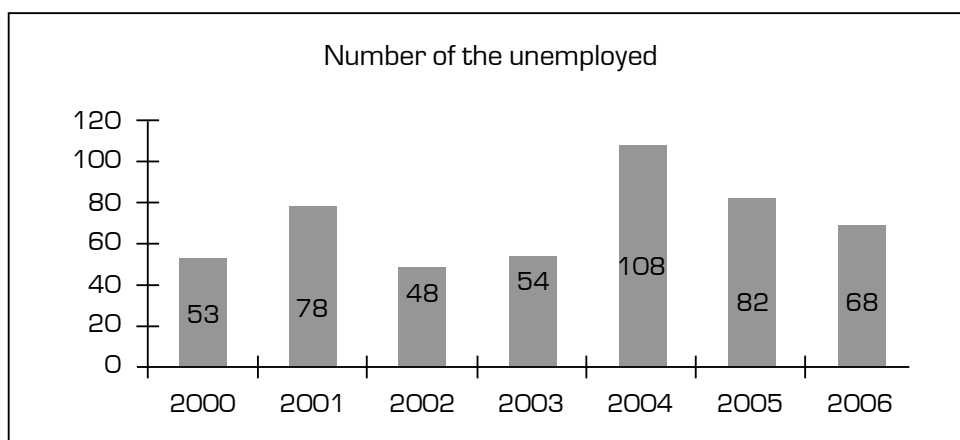
The educational level of employees remains comparably low. As of 2006, 3.7% of all employees have high, 6.1% - special secondary and 6.35 – vocational education, and 84% have no specialization. Over the last few years, the share of people with no specialization tends to increase against a decline of that of specialized people. This warns the soum authorities to pay more attention to the training professional and skilled labor.

Unemployment: The unemployment rate among soum citizens equals to 2.3%, which is by 1.3% lower than the average of Khuvsgul aimag. Up to 2004, the unemployment

Number of employees in different sector

| Years | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 |
|------------------------------------|------|------|------|------|------|------|
| Total people employed | 2635 | 2654 | 2788 | 2439 | 2421 | 2427 |
| Employment, by sectors | | | | | | |
| 1 Livestock | 1518 | 1451 | 1456 | 1437 | 1439 | 1578 |
| 2 Crop | 515 | 590 | 510 | 391 | 390 | 254 |
| 3 Processing industry | 75 | 83 | 72 | 53 | 54 | 33 |
| 4 Energy and heating | 6 | 4 | 5 | 5 | 5 | 31 |
| 6 Communication and transportation | 6 | 8 | 6 | 4 | 4 | 4 |
| 7 Trade and service | 286 | 291 | 300 | 307 | 310 | 307 |
| 8 Government organizations | 43 | 31 | 46 | 45 | 46 | 32 |
| 9 Education | 118 | 120 | 120 | 110 | 110 | 113 |
| 10 Health service | 36 | 34 | 32 | 30 | 41 | 34 |
| 11 Other | 32 | 42 | 241 | 57 | 22 | 41 |

rate had tendency to increase. The unemployment rate seemed to decrease over the last three years. Amongst unemployed people of working age, women take 38.2%, and non-professional people – 87%. This shows that low educational level and poor professional skills have been main reason of insufficient unemployment opportunities for women and those lacking specialization



4.3. Public Infrastructures and Services

Roads. In many cases, souм dwellers and businesses travel to aimag centre, the cities of Ulaanbaatar, Erdenet and Darkhan. The land transportation is the only option for in- and out traveling. All local roads including those within the souм are earth-surfaced. Upon reaching Bulgan city, the centre of Bulgan aimag, local earth roads join the main highways to Darkhan and further to Ulaanbaatar. Roads to access bags and families in mountainous areas are exceptionally poor. Private ground vehicles make all kinds of in and out passenger transportation and freight forwarding. Needs are to improve the part of road that connects the souм centre with the main road to Murun and upgrade roads over mountain passes to bags and wood-made bridges so that the flow of goods and service becomes operational and fast.

Electricity supply. Tarialan souм has been provided a permanent access to the central 35 kW high voltage electricity grid since 1997. The local energy distribution point sells 120-150 thousand kW electricity monthly to 60 entities and organizations and over 700 households. No access to electricity provided to bags. 1/3 of herding households have solar batteries as a source for simplest household needs. Souм seeks opportunities and looking forward to implementing measures of conducting capital remount of all heating lines within the souм centre and connect bags to permanent electric power sources and supply herding households with solar and wind energy devices.

Communication and Information. There has been operating 24-hour telecommunication and cell phone serving 208 users including 37 public and private organizations, 171 families. An optical fiber cable arrived in 2004 that makes possible to access Internet. The centre of soum has been connected to Mobicom and Skytel mobile servers. The local TV station receives and re-transmits programs of 4 non-cable and 10 cable TVs. Under a project «Rural communication», herders and people nearby the soum centre have provided to use cell phones. The goals for the future are to set up FM transmitter, extend mobile phone access to herders in distant bags, and improve service for information networking at the soum government.

Bank and Financial Service. There are permanent services by XAAH bank, Mongol Shuudan bank and «Khugjil Badrakh», a non-bank financial organization. XAS bank offers a mobile service. In 2006, XAAH bank provided loans of 1.8 billion tugriqs that make 90% of all lending.

| | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 |
|---|------|-------|-------|-------|--------|--------|
| XAAH Bank | 64.6 | 227.6 | 253.3 | 341.0 | 1155.1 | 1687.0 |
| XAS Bank | 0 | 0 | 20.0 | 80.0 | 120.0 | 45.0 |
| Khugjil Badrakh non-bank financial organization | | | | | 1.9 | 72.6 |
| Shuudan bank | | | | | | 10.7 |

The banking services in the soum are on-line. National insurance companies such as Mongol Daatgal and Tushig Daatgal offer mobile insurance services.

Water Supply. Soum has reasonably rich sources of natural water which include 45 rivers/springs and 4 lakes and ponds. 47 wells including 16 deep underground and 31 swallow, are in use for pasture water supply. Water supply to soum centre is handled by communal service businesses, which is claimed being poor in terms of quality and availability. Needs are to improve both pasture and drinking water, and install facilities for softening (de-mineralizing) of water supplied to consumers at the soum centre.

Sewage Handling. No sewage system is in existence. This has been as one of the worst sources that pollute soils and environment of the soum centre. It would be a priority to build up a unified sewage system in the soum centre.

Centralized Heating. A centralized heating system provides 29512 cubic meter area occupied by all administrative and public organizations, apartments, houses and business entities with heating. The system has been very out-dated and the reliability to expand to other users becomes almost impossible. Utmost needs are to reconstruct the heating lines with expansion of its capacity to deliver better heating.

Secondary Education. A primary school established in 1939 with 2 teachers and 30 pupils was underwent two consequent expansion in 1953 and 1956 to enlarge as a secondary school in response to extended population growth. As of today, it has been expanded into 11-year full secondary educational service institution. The school employs 60 teachers and 40 assistant and administrative staff to serve 1453 students. The school is striving to expand itself into 12-year full secondary educational service institution. Thanks to the efforts, school drop-out rate has been annulled with the attendance rate of 94.5%. The near-future needs are to expand of spaces in school and dormitory buildings, upgrade teaching equipment and facilities and establish vocational training for students of advanced classes.

Preschool education. In 1954, the soum opened a kindergarten with 2 staff, which expanded in 1987 for 120 children. The kindergarten, which employs 13 personnel, provides a preschool education to 47.8% of all children of preschool age. This is partly achieved by arranging outdoor summer mobile kindergarten in bags to bring more children to the preschool education. The needs for the near and mid-term future are to reconstruct the kindergarten and improve its internal facilities for teaching and leisure to extend the coverage of preschool education for children.

Health service. The launching of the soum medical service was a hospital branch with 12 beds established in 1937. Since then, it had undergone to several expansions of the spaces and upgrading the facilities. The hospital was entitled as the child-friendly hospital in 1997 and was recognized as the officially accredited health organization in 2002. The hospital employs 33 staff including high-educated doctor and medical assistant staffs. The soum hospital acquired ambulance cars and all bag doctors have motorcycles. Small-scale measures on updating professional skills of bag doctors and medical equipment and facilities, and training on improved healthy lifestyle of people and extended health insurance are being underway. In the near and middle future, main goals in areas of improved health service would be to increase the spaces for ambulatory and hospital, and improve medical equipment and facilities so that the hospital could be able to run scheduled disease and illness preventing examinations and timely health assistances to various portions of the population.

Cultural service. The soum cultural centre established as «red ger» in 1944 was re-organized as a cultural centre in 1993. The center has 6 full-time staff. Currently, the soum has 10 best non-professional and 4 distinguished cultural performers. The soum governor has issued a decree that sets out arranging various events such conservation of historical and cultural places and heritages through creation of local registry, search for finances to upgrade local museum, public library, museum exhibits, and organizing various public events. Needs are to stabilize the functioning of the cultural centre and upgrade the public library and equip with modern facilities to meet contemporary demand and needs.

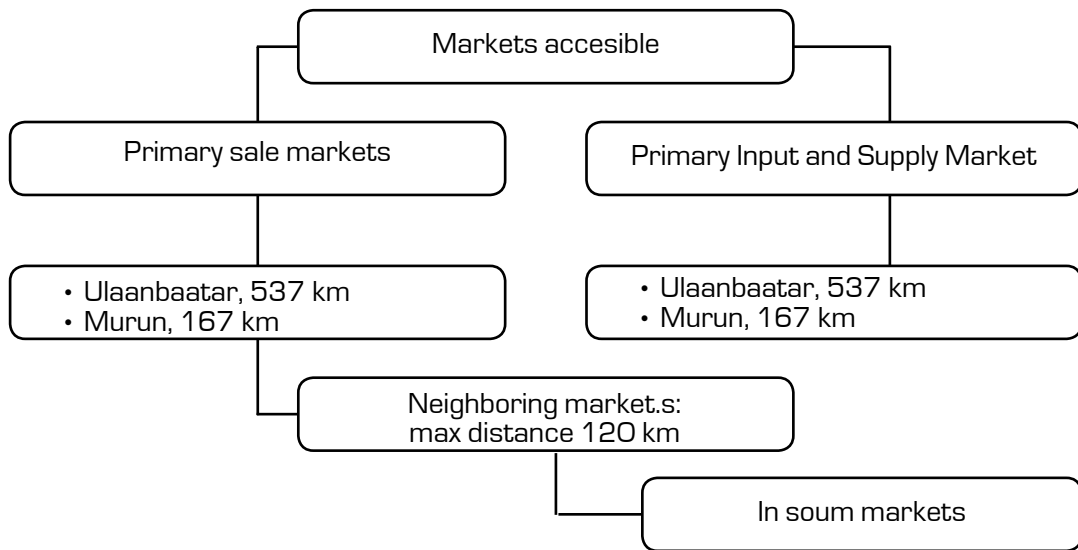
Crime prevention: Securing peaceful and crimeless living for its citizens has been one of the key duties of local government. A soum program on prevention from crime and law breaking has been approved. In the framework of the program, a legal information collection has been set up to serve people with various actions and measures on updating legal education of people, crime prevention, and reduction of drinking, and halting livestock thieving. A wider measure on ear-cutting and making record of livestock to prevent livestock thievery has been underway. The police team in the soum has expanded in 2007 into a police unit through reconstructing the working space and adding two more staff that are full-time. A three-way contract with the soum government and bag citizens' Khural is being launched. Efforts will be made not only on upgrading the police services but also on awareness raising among local community. Moreover, the provision with accesses to sport and other facilities where people can spend their spare time and leisure, and improving the lighting and roads in the soum centre will be also important for reducing crime and unlawful actions and creating enjoyable environment for the local citizens.

Public sport and physical development. In order to support local development of various types of public and national sports, soum has developed a soum public sport development subprogram. The aims of the subprogram are to promote and maintain different annual and biannual planned activities and support talented children and adults so that the soum athletes could compete at aimag and national sporting arenas. In order to extend coverage of sport and public health improvements activities, it needs to expand participation of people of different ages through opening new spaces and facilities either indoor or outdoor.

4.4. Markets and Marketing

The specific features of the soum geographic location, development of production sectors and local consumption patterns determine the accessibility and dimensions of sale and input supply markets. The soum sells agricultural products and raw materials to markets within soum and beyond and consumer goods are supplied by external markets in the cities of Ulaanbaatar and Erdenet and aimag centre.

Because of remoteness from large markets, the soum businesses and services target local demand and consumption. However, large companies market both unprocessed and processed crop and livestock products to aimag centre and other settlements. The goals for the medium future SME development are to target satisfying domestic demands with home products through improvement of quality and accessibility of products and services and access other national and international markets.



In order to achieve these goals, measures on expansion of existing capacity of processing industries of crop, flour and spirit plants, creation of new livestock farming and improving conditions of trading and other services are needed.

4.5. Donors Projects

- **«Sustainable Livelihood»** project, World Bank HSLP provided 6.5 mln. tugrugs to 23 citizens under its microfinance component in the last three years and invested annually 4000 US\$ from the Local initiative fund.
- **IFAD Rural Poverty Reduction Program** implements activities on well rehabilitation and making new wells to improve pasture water supply and support preschool education service through mobile kindergarten.
- **OSI/OSF DELTA project** supports development of mid-term economic development strategy and provided finances for establishing a soum business development office. This project has selected to support other two projects on local capacity building through locally-arranged training. The projects are now well underway.
- **ADRA - Mongol** established 10 self-help groups involving 10 and more households each. It provides support capacity building and strengthening economic and business capacity of households involved in the scheme through training and promotion of cooperative actions.



PART 5

THE SOUM ECONOMIC DEVELOPMENT STRATEGY

5.1. The LBES Findings

One of the key activities undertaken as a part of the process of development of soum LED strategy was the local business enabling environment survey (LBES). The survey was undertaken in August-September 2006. The questionnaire-based survey aimed at collecting data that could serve as the primary sources for the design of the LED strategy. The survey resulted in gathering large quantity of information reflecting the local views on the status of the development of soum economic and business and its future and official statistics and other support materials. The findings of the survey were processed and compiled. Meetings and consultations with soum community stakeholders were held to gather their comments and recommendations to incorporate in the LED strategy.

The stakeholders involved in the survey:

- The survey covered 39.2% out of 120 business entities and individuals and 5.1% of 699 herders with an average soum stakeholders' participation of 10.0%.

| | | Soum total | Participated in the LBES | Representation, % |
|---|-------------------|------------|--------------------------|-------------------|
| 1 | SME entrepreneurs | 120 | 47 | 39.2 |
| 2 | Herders | 690 | 36 | 5.1 |
| | Total | 830 | 83 | 10.0 |

- 73 business owners and 5 executive directors and managers and 5 other personnel participated
- 49 participants are engaged in livestock production, 11 - in crop production, 9 - in home processing, 22 - in trading, 13 - in communal services
- 72% of businesses and 83.2 % of herders have been working for 10 and more years.
- 68 participants are engaged in one, 11 – in two, 2 – in three and 2 – in four different businesses
- 86.7% of entities employ up to 5, 14.1% with 6-50, and only 1.3% have more than 50 employees

Business expansion. 78.3% of businesses and 88.6% of herders participated in the survey commented that the businesses they are currently engaged, have been extending. This shows that there is a tendency to increase businesses in Tarialan soum. This shows a general tendency for business growth in Tarialan soum. However, comments «little or no expansion» may witness those cases that some businesses have pushed out the market because they fail to cope with harsh market pressures.

Availability and accessibility of markets. Over 90% of herders and businesses sell their products and services within the soum. This is because the soum is remote from major markets. Flour, feed, alcohol and vodka are sold to neighboring soums and aimags. Local businesses are aiming to increase their outputs and marketing through expansion of business and ensuring better quality to build up their power to compete for flour and animal feed with higher impacts at aimag markets. Some businesses express interest to come up to national markets. Upgrading capacity of internal markets in terms of purchasing power and capacity to absorb new products and services would be a key task for the soum economic development. Large soum population and reasonably good purchasing capacity will enable local businesses and services to enjoy better marketability of their products.

Local view of the future of businesses. As total, 98.7% of all respondents (100% of businesses and 97.2% of herders) imagine that the future of the businesses, they

are engaged are prosperous and flourishing. This is a good sign that local businesses are psychologically and mentally confident.

Local demand of skilled and professional labor. The LBES revealed that 55.0% of businesses and 22.9% of herders perceive that skilled/professional workers required. Reduction of skilled young herders over the last years becomes a problem that worries both local administration and herding communities. The findings of this survey provide some orientations to arranging local training in capacity building and updating local skills.

Demand in business-oriented training. The most demanded training for businesses as identified by the survey are: capacity building, finances, accounting, technology, quality control and business management and marketing. The high demand of training in main fields of market economy shows that soum has been weak in initiating training for soum businesses, provision of business and professional consultancy and on-ground advises and hiring high skilled labor force.

Business competition. The participants confirm that in-soum competition among herders is high, but no competition for aimag markets and imported goods. Contrary, soum businesses commented that competition for aimag and other national markets are fair. The outward competition is good strength for businesses, whereas competing by herders for small in-soum markets exemplifies a serious weakness.

Measures for future improvement of businesses and marketing. Local businesses believe that quantitative measures such as diversification of types and quality of businesses and services and maintain the sale prices down will be the true ways towards increased marketing. No advertisement and packaging is considered as important factor. The businesses tend to pay more attention to: (i) addressing right consumers/buyers, (ii) increasing numbers of selling points, and (iii) locating their businesses in right places.

Helps and assistances provided by business associations and other institutions. All herders and 72.9% of businesses answered that neither business associations nor organizations provide assistance and helps.

Interest of future business expansion. 97.9% of businesses are willing to expand their business and 63.6% – to create new business. These figures for herders are 97.2% and 89.0%, respectively. As far as the ways/forms of expanding businesses are concerned, around 40% of respondents are in favor of improving the quality of goods and services along with intensification, another 50% support idea of extending current size/volume. 82.5% of herders and 74.5% of businesses want to keep and

extend their business within the soum, while 25.4% - in other aimags and cities. 36.2-88.9% believes that they could achieve business expansion by adapting intensification. The findings demonstrate that herders are keen to achieve business expansion quantitatively by upgrading herd size, whereas businesses intend to solve this problem through a good combination of quantitative and qualitative opportunities.

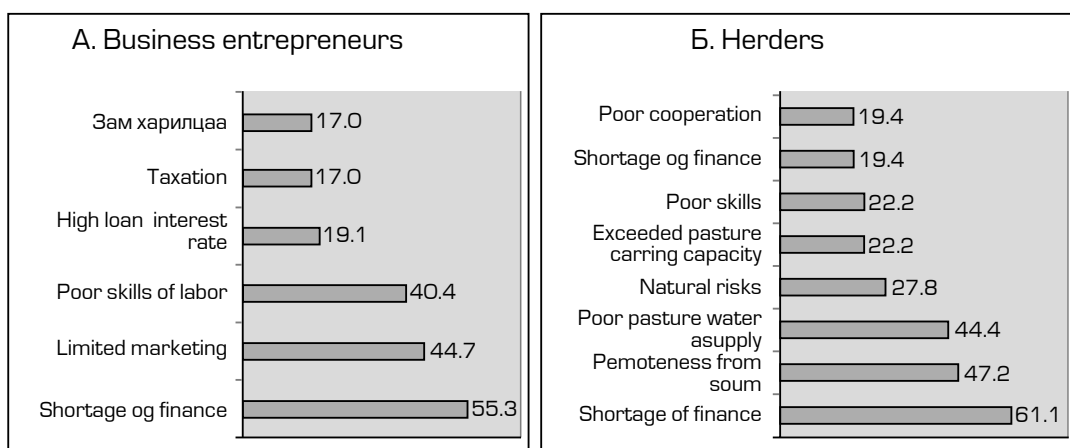
Interest to create new business. Viewing the importance of the creation of new business is one of the widely-applied ways of triggering economic growth and expand businesses, 63.6% of businesses and 80% of herders expressed their interest in launching new businesses.

Market opportunities for expanded and new businesses. Herders believe that there is enough market either in aimag centre or in soum for expanded or new business. However, the businesses are unhappy with the current capacity of soum markets. None of herders and businesses gives a big importance to the national and external markets they possibly lack adequate information. It is observed that the target markets for soum businesses are currently to satisfy local demands.

Assessment of local potentials for expanded and new businesses. In addition to a tray of issues like markets, marketing and competition, there is a group of issues important to either expansion of, or creating, new business, which confirms that local businesses are self-assured with the local potential. Respondents see the significant elements of local potentials such as labor, local skills, land, and infrastructure are sufficient to support if local businesses are to be expanded. This is good that people positively assess own soum as a good place for business. If one assumes that the local potentials for expansion of business are determinant to the future of businesses, the dominance of opinions to expand or renew businesses is an important strategic factor.

Main difficulties and challenges that extended and new business may encounter. Both businesses and herders rank shortage of financial sources as a crucial factor for expansion of or creation of new business. Remoteness from soum centre, poor roads and communication, natural hazards, shortage/less availability of pasture and water are the main problems affecting expanded herding business. The businesses feel poor accesses to other markets and poor professional and working skills of employees as major problem. High loan interest rate, high tax, poor input supply, poor roads and shortage of professional skills are identified as factors with moderate consequences. Herders share opinion that poor knowledge and educational level, shortage of potential labor for herding and poor cooperation among herding households associated with increased livestock thieving are of moderate impacts.

Time spent to work with soum administration. Businesses argue that they spent less time (14 days) to work with soum administration whereas herders need 6 days.



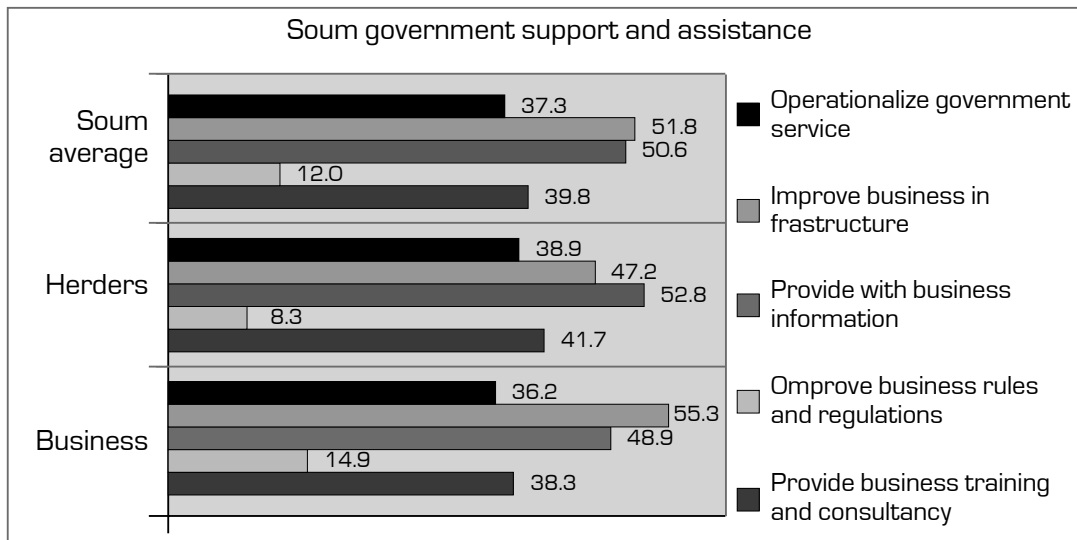
85% of participants feel that the time they dedicate to work with soum administration as acceptable and optimal. These days, when partnerships on policy and strategy of soum business development are weaker and forms of productive interactions such as business meetings, consultations and open and group discussions remain irregular, initiatives to allocate enough time should be taken by both sides. This shows that the needs to extend the active role of the soum government in LED and to strengthen the public-private partnerships have been poorly met.

Performance of soum administration causing negative impacts on business.

As the participants who replied to a question whether the performance of soum administration are causing negative impacts on business commented that no crucial negative impacts resulting from the soum administration were found. Nevertheless, cases such as high fees and tax and overlaps in the existing regulations and rules, and lack of enhance regulations of some actions and unfair competition are identified as factors, which affect local businesses less but unfavorably.

The supports stakeholders wish to be provided by soum administration.

The overall trend and content of actions the stakeholders want to taken by soum administration are related to those difficulties, which the local efforts of expansion and creation of new businesses may face. Stakeholders identify that soum government will help local businesses if it takes measures like provision of information and training, law enforcement, reduction pressures borne by increased prices and high standard requirements, arranging development projects to involve/assist local businesses and making public services more operational. Improved water supply has become the most crucial issue for the herders of Tarialan soum. Alike the businesses, herders seek supports from soum government to take decisive measures against livestock thieving, wild crimes and drinking. They also want more information, training and enjoy improved public services and indiscriminate enforcement of related laws and regulations.



Specific aspects of LED-related activities to be undertaken by soum administration. Soum businesses want to see the soum administration working on upgrading of local infrastructure, provision of business information and consultancy and improving local public services and locally specific rules, and regulations. By proposing these issues as vital, businesses and herders wish to strengthen the cooperation and partnerships between local administration and business communities.

Factors, that may impacts business activities and growth. The participants identified some issues as potential to affect businesses and growth as follows:

Infrastructures. No impacts (only 3.2-6.2% indefinitely expect some influences) on local business are expected to be brought by railway and air transport. However, local roads were assessed as being enormously important for soum businesses by 71.1% of respondents.

Communal services. It seems that impacts of electricity and water supply, communication and public safety are weighable and high for business development in Tarialan soum. Especially, the supply of clean water to businesses and animal water to herders has been of a crucial importance for expansion and opening new businesses. Businesses and herders expect soum government to strengthen the police service in combating drinking and crimes/unlawful actions.

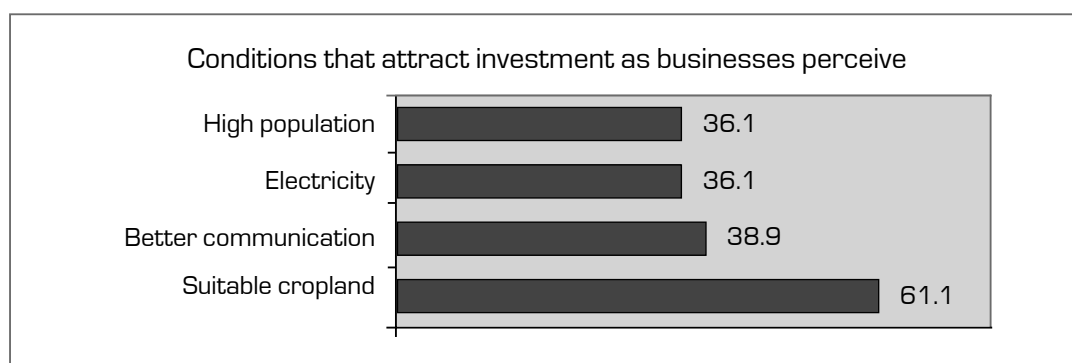
Quality of life. The LBES participants found that factors like crime, unlawful actions, and tax and health services are highly influential on local economic and business development. They assess the other factors as less influential. In order to accelerate development and growth of soum economy, measures that are applicable within the soum towards ensuring social security and quality health service should

be arranged. Since issues concerning the reduction of tax and other fees are beyond the control of soum administration, adaptive measures are to be taken by appropriate bodies. Therefore, problems such as improved police protection and medical service that are within the mandate of the soum authorities should be arranged in a planned manner.

The fast growing sectors. Based on own judgments of the progresses over the last 5 years, soum businesses specify that the fast growing sectors are trade, livestock, crop and communication. According to herders, livestock, communication, livestock, crop and banking sectors are the growing faster than other sectors.

The slow growing sectors. According to soum businesses, the three most slow growing and diffident sectors include communal and cultural services and exotic crop growing. Herders see culture, education and communal services and non-traditional crop activities as the slowest. The slowest growth and diffidence is observed not only in production spheres as well as in state and private service sectors. The findings of this survey tell that the strategies of soum economic development should not be concerned with only with production, but non-production and services should be included.

The advantageous conditions attracting the most investments. The soum businesses and herders commented that the advantageous conditions that attract investments are the land resources suited for cropping, high soum population size, better infrastructure and processing SME and communication development. In addition, the geographic location closest to the central roads and markets and comparably well-educated population create certain advantages. Therefore, the policy for future economic development can be based on the existing favorable conditions as so to build up the strengths.



The weaknesses that negatively encounter soum economic growth. The respondents tend to link the weaknesses negatively encountering soum business development with the negative aspects of the social relations such as drinking,

unemployment, theft and bureaucratic attitudes rather than the conditions that are required for production and services. According to the businesses small markets, poor development of water and heating and road connections are the most important obstacles. In parallel with attempting to upgrade large infrastructures, the soum government should take measures to fight drinking, thieving and bureaucratic services.

Assessment of changes in the business-enabling environment. 82.5% of herders and 95.7% of businesses participated in LBES confirm that the business-enabling environment in the soum has been improving.

Assessment of soum economic growth. Notwithstanding the common positive evaluation, which confirm about improvements in the business enabling environment and the growth in the economy, people seem not all happy with the current achievements. The overwhelming part of businesses and herders unanimously assess that the economic growth as being moderate.

5.2. SWOT Analysis

Based on the finding of the survey on business enabling environment undertaken by the soum core team, four basic elements of a SWOT analysis were identified and a SWOT matrix was developed.

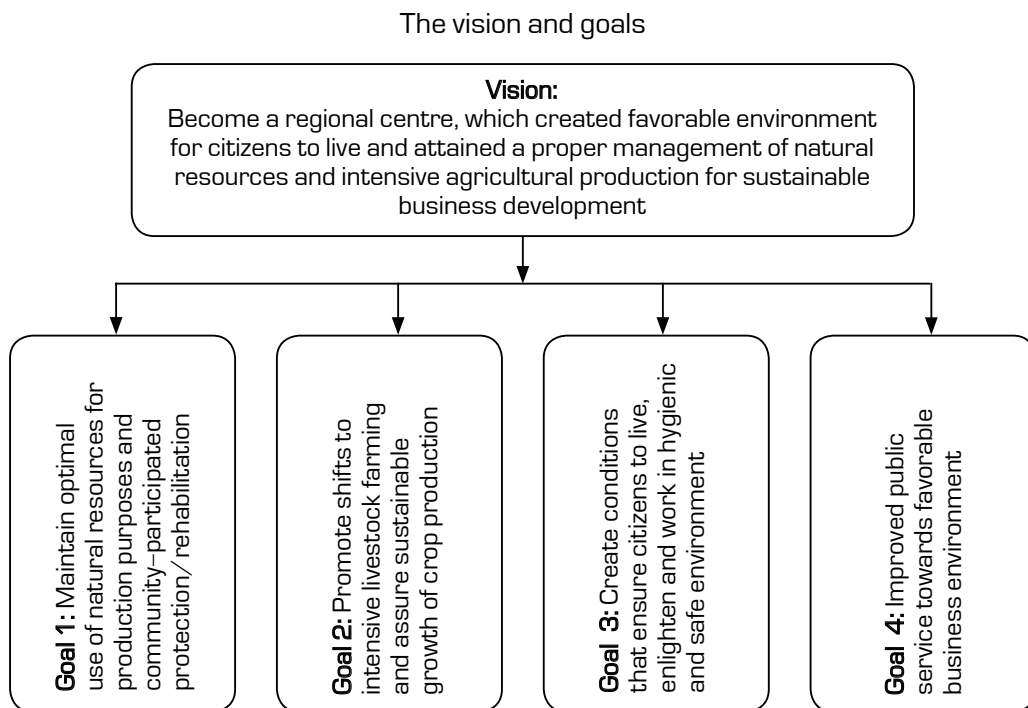
LBES-based SWOT Analysis Matrix

| Internal | | External | |
|---|---|--|---|
| Strengths | Weaknesses | Opportunities | Threats |
| <ul style="list-style-type: none"> • Alike the improved activeness and commitment of stakeholders in LED, all businesses are interested and committed to expand established businesses and create new business • Enough fertile land suitable for crop and livestock production, and raw materials for SME development • Soum citizens are knowledgeable and skilled in the traditional production sectors – livestock and crop production • Permanent electricity supply • Excellent communication development with extended cell phone service • Good support of business development by soum governor, governor's office and bag officials • Local leadership and good examples and experiences in SME business development available | <ul style="list-style-type: none"> • Shortage of professional labor associated with fewer and less productive training for business entrepreneurs • Poorly sustainable public-private partnership and weak regulation of unfair business competition by soum authorities • Poor links and contacts with business and professional associations, international donors and civil societies and insufficient support by the civil organizations • Weak educational and professional background of unemployed people • Poor risk mitigating capacity of herders, crop producers and SME businesses due to high exposure to unpleasant climatic conditions and lesser asset accumulation and sources and poorly covered by insurance • Poor water supply to soum center and grazing territories • Opportunities to achieve better business successes being involved in different business areas are limited because of poor business skills and common attempts to copy others by adaptation of same type of activities • Out-dated and demoralized equipment and facilities • Limited markets within the soum • Lack of links with external markets • Resources for mining deposits and exploration of natural wealth to be used for business and production development are poorly explored • The local business development program has small coverage and poorly feasible • Although cases of corruptions and bureaucracy remain low, they appear to negatively affect business | <ul style="list-style-type: none"> • Enough markets in neighboring soums and cities for raw and processed crop and livestock products • Increased sources of and better access of bank loans • No hindrances and obstacles on soum business development by aimag administration | <ul style="list-style-type: none"> • Shortage of sources for business investment and financing • In most cases, high interest rate short-term bank loans exert bad impacts on soum business • Remoteness of main nationally-recognized input and sale markets • Limited soum markets for common SME businesses and wealthily produced items • Poor roads to access neighboring soums and aimags and beyond • Troublesome impacts of existing legislations, rules and regulations and low practical feasibility • No opportunities are available for soum government to adjust and update existing rules and instructions • No development projects cover soum business sector |

5.3. “ Vision–Goal–Objective–Program–Project ” Matrix

The overall contents of the soum economic development strategy are as follows:

- The vision and goals
- The goals, objectives, programs and projects
- The strategic directions of soum business development
- The project implementation matrix
- The project ranking matrix
- Project fiches



5.4. Vision-to-Project Matrix

Vision: Become a regional centre, which created favorable environment for citizens to live and attained a proper management of natural resources and intensive agricultural production for sustainable business development

| Goals (G) | Objectives (O) | Programs (Pr) | Projects (Pt) | No |
|--|---|---|--|----|
| G1: Maintain optimal use of natural resources for production purposes and community-participated protection/rehabilitation | G1:01: Starting from 2007, conduct reforestation of 30 ha of overharvested forest areas each year | G1:01:Pr1: Optimize utilization of forest resources | G1:01:Pr1:Pt1: Assessment and mapping of soum forest resources | 1. |
| | G1:02: By 2008, develop mapping and rule of soum agricultural land management | G1:02:Pr1: Optimize the utilization of agricultural land resources | G1:01:Pr1:Pt2: Development and implementation of a soum "Green Belt" project for forest rehabilitation and protection | 2. |
| | G1:03: Increase from 47 to 92, the numbers of pasture water points by 2015 | G1:03:Pr1: Improve pasture water supply and reduce grazing pressure | G1:02:Pr1:Pt1: Mapping and development of rule of the use of pasture, hayland and cropland | 3. |
| | G1:04: Every year, organize training in improved ecological education for 2000 people | G1:04:Pr1: Improve public ecological education/knowledge | G1:03:Pr1:Pt1: Pasture water improvement and use and protection of headwaters | 4. |
| G2: Promote shifts to intensive livestock farming and assure sustainable growth of crop production | G2:01: Increase from 0.4% to 2.0%, the share of intensive agricultural production in soum gross agricultural annual outputs by 2015 | G2:01:Pr1: Reform of soum intensive agricultural farming policy | G1:04:Pr1:Pt1: Development of locally-specific criteria of assessment of natural and ecological interrelationships | 5. |
| | | | G1:04:Pr1:Pt2: Initiating a phased training for improved community ecological education | 6. |
| | | | G2:01:Pr1:Pt1: Optimal integration of main agricultural subsectors and emerging development trends | 7. |
| | | | G2:01:Pr1:Pt2: Public promotion to intensive livestock and crop development through support of veterinary and livestock breeding service | 8. |

| Goals (G) | Objectives (O) | Programs (Pr) | Projects (Pt) | No |
|---|---|---|---|----|
| G3: Create conditions that ensure citizens to live, enlighten and work in hygienic and safe environment | G3:O1: Achieving a 80% coverage of soum health service by 2015 by extending from 20% in 2007 | G3:O1:Pr1: Improve medical service | G3:O1:Pr1:Pt1: Improvement of access of bags and rural citizens to medical service | 9 |
| | | | G3:O1:Pr1:Pt2: Expansion of the service capacity and facilities of the soum medical hospital | 10 |
| | | | G3:O1:Pr1:Pt3: Examination of soum population for AIDS and venereal diseases | 11 |
| | G3:O2: Upgrading of supply of drinking water and solid waste disposal that will cover 60% soum centre dwellers, by 2015 | G3:O2:Pr1: Upgrade drinking water supply and sewage networking in soum centre | G3:O2:Pr1:Pt1: Establishing new two points for distribution of de-mineralized water | 12 |
| | | | G3:O2:Pr1:Pt2: Connection of public authorities and entities to drinking water and sewage networks | 13 |
| | | | G3:O2:Pr2:Pt1: Introduction of community-supported solid waste management | 14 |
| | | G3:O2:Pr3: Improve living conditions of citizens | G3:O2:Pr3:Pt1: Establishment of cultural and information exchange centre | 15 |
| | | | G3:O2:Pr3:Pt2: Reconstruction of lighting of soum centre and addresses of main streets and khashaas in ger district | 16 |
| | | | G3:O2:Pr3:Pt3: Reconstruction of main roads and squares in soum centre | 17 |
| | | | G3:O2:Pr3:Pt4: Reconstruction of 10/04 kilowatt electricity lines in soum centre | 18 |
| | | | G3:O3:Pr3:Pt5: Reconstruction of soum centre heating network line | 19 |
| | G3:O3: Establishment of local capacity by 2010 to train and re-train over 100 professional workers each year | G2:O3:Pr1: Upgrade skills and professional level of citizens | G2:O3:Pr1:Pt1: Training in livestock and crop farming in high mountain environment | 20 |
| | | | G2:O3:Pr1:Pt2: Training in use of alternative sources for fire other than wood | 21 |
| | | | G2:O3:Pr1:Pt3: Training for voluntary medical assistances | 22 |
| | | | G2:O3:Pr1:Pt4: Training in public health activities | 23 |
| | | | G2:O3:Pr1:Pt5: Training in household –based production (living art) | 24 |

| Goals (G) | Objectives (O) | Programs (Pr) | Projects (Pt) | No |
|--|--|---|--|----|
| G3: Create conditions that ensure citizens to live, enlighten and work in hygienic and safe environment | G3:O3: Establishment of local capacity by 2010 to train and re-train over 100 professional workers each year | G3:O3:Pr2: Prepare professional workers | G2:O3:Pr2:Pt1: Preparation of professional workers through professional background training for 9 th class secondary school students | 25 |
| | G3:O4: Reduce from 38 to 30 by 2010 the numbers of pupils per class | G3:O4:Pr1: Strengthen capacity of soum schooling service | G3:O4:Pr1:Pt1: Reconstruction of school building and school dormitory | 26 |
| | | | G3:O4:Pr1:Pt2: Establishment of an electronic library | 27 |
| | | | G3:O4:Pr1:Pt3: Reconstruction of spaces of pre-school education for children and provision of pre-school training facilities | 28 |
| | G3:O5: By 2010, upgrade two bags to provide most-required services to rural herders | G3:O5:Pr1: Upgrade local hard infrastructures | G3:O5:Pr1:Pt1: Reconstruction and improvement of internal major roads (roads over Shiver and Dalt passes) | 29 |
| G4: Improved public service towards favorable business environment | | | G3:O5:Pr1:Pt2: Connecting centers of Ar tarkhi and Bayankhoshuu bags to the central electricity grid | 30 |
| | | G3:O5:Pr2: Upgrade centers of rural bags | G3:O5:Pr2:Pt1: Establishment of a public and communal service at centers of Ar tarkhi and Davaany ar bags | 31 |
| | G4:O1: Starting from 2008, introduce 4 new types of public services that will enable favorable business development | G4:O1:Pr1: Improve the public service | G4:O1:Pr1:Pt1: A general plan of soum development | 32 |
| | | | G4:O1:Pr1:Pt2: Reconstruction of soum administration office | 33 |
| | | | G4:O1:Pr1:Pt3: Establishment of "Public service one stop shop" | 34 |
| | | | G4:O2:Pr1:Pt2: Establishing a soum development financial sources designated for SME development | 35 |

5.5. Project Implementation Matrix

| № | Title and Code of Projects | Value | | Financial contributions | | | | Implementa- tion | | | Implementation status | Beneficiaries |
|---|---|----------|--------|-------------------------|----------------|--------|---|---------------------|----------|-------|-------------------------------|---------------|
| | | mil.MNT. | \$000. | Local sources | Central Budget | Donors | Partners | Start | Complete | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| 1 | G1:01:Pr1:Pt1: Assessment and mapping of soum forest resources | 16.0 | 13.7 | | 100 | 16 | SGO, Aimag environment authority | 2008 | 2008 | SF | All citizens | |
| 2 | G1:01:Pr1:Pt2: Development and implementation of a soum "Green Belt" project for forest rehabilitation and protection | 50.0 | 43.0 | 10 | 5.0 | 90 | SGO Citizens and enterprises Aimag environment protection authority | 2007 | 2009 | IS/SF | All citizens | |
| 3 | G1:02:Pr1:Pt1: Mapping and development of rule of the use of pasture, hayland and cropland | 100.0 | 85.9 | | | 100 | SGO Prof. organizations | 2006 | 2008 | IS | Crop and livestock businesses | |
| 4 | G1:03:Pr1:Pt1: Pasture water improvement and use and protection of headwaters | 100.0 | 85.9 | 2 | 2.0 | 30 | 68 Central gov. SGO Donors | 2007 | 2015 | IS/SF | Crop and livestock businesses | |

| № | Title and Code of Projects | Value | | Financial contributions | | | | Implementa- tion | | | Implementation status | Beneficiaries | | |
|---|---|----------|--------|-------------------------|------|----------------|--------|---------------------|--|-----------------------------------|-----------------------|---------------|---------------------------------------|--|
| | | mil.MNT. | \$000. | Local sources | | Central Budget | Donors | Partners | Start | Complete | | | | |
| | | | | % | MNT | | | | | | | | % | MNT |
| | | | | | | | | | | | | | | |
| 5 | G1:O4:P1:Pt1: Development of locally – specific optimal criteria of assessment of natural and ecological interrelationships | 10.0 | 8.6 | 5 | 0.5 | | 95 | 9.5 | SGO Aimag environment protection authority | 2008 | 2008 | SF | All citizens | |
| 6 | G1:O4:P1:Pt2: Initiate a phased training for improved community ecological education | 11.0 | 9.5 | 82 | 9.02 | | 18 | 1.98 | SGO Secondary school Donors | 2007 | 2015 | IS | All citizens | |
| 7 | G2:O1:Pr1:Pt1: Optimal integration of main agricultural subsectors and emerging development trends | 4.0 | 3.4 | | 100 | 4.0 | | | SGO Aimag Food & Agric. Authority Donors | 2008 | 2008 | SF | Crop and livestock businesses | |
| 8 | G2:O1:Pr1:Pt2: Public promotion to intensive livestock and crop development through support of veterinary and livestock breeding service | 20.0 | 17.2 | 5 | 1.0 | 95 | 19.0 | | SGO Aimag Food & Agric. Authority Donors | 2008 | 2012 | SF | Herders Bag gov. and Veterinary | |
| 9 | G3:O1:Pr1:Pt1: Improvement of access of bags and rural citizens to medical service | 26.0 | 22.3 | 10 | 2.6 | 40 | 10.4 | 50 | 13.0 | SGO Suum hospital Donors | 2007 | 2015 | IS/SF | Ar tarkhi and Davaany ar bags citizens |

| № | Title and Code of Projects | Value | | Financial contributions | | | | Implementa- tion | | | Beneficiaries | | |
|----|---|----------|--------|-------------------------|----------|----------------|--------|---|-------|----------|---------------|---|----------|
| | | MIL.MNT. | \$000. | Local sources | | Central Budget | Donors | Partners | Start | Complete | | | |
| | | | | % | MIL.MNT. | | | | | | | % | MIL.MNT. |
| | | | | | | | | | | | | | |
| 10 | G3:01:Pr1:Pt2: Expansion of the service capacity and facilities of the soum medical hospital | 140.0 | 120.3 | | 100 | 140.0 | | Central gov. SGO Soum hospital | 2008 | 2012 | SF | All citizens | |
| 11 | G3:01:Pr1:Pt3: Examination of soum population for AIDS and venereal diseases | 10.0 | 8.6 | | 50 | 5.0 | 50 | SGO Aimag health authority Soum hospital | 2008 | 2008 | SF | All citizens | |
| 12 | G3:02:Pr1:Pt1: Establishing new two points for distribution of de-mineralized water | 50.0 | 43.0 | | | | 100 | 50.0 Central gov. SGO Prof. organizations Donors | 2008 | 2009 | SF | All citizens | |
| 13 | G3:02:Pr1:Pt2: Connection of public authorities and entities to drinking water and sewage networks | 350.0 | 300.7 | 5 | 17.5 | 75 | 20 | 262.5 Central gov. SGO Donors Prof. organizations | 2009 | 2013 | SF | All citizens Enterprises and businesses | |
| 14 | G3:02:Pr2:Pt1: Introduction of community-supported solid waste management | 45.0 | 38.7 | 6.5 | 2.9 | | 93.5 | 42.1 SGO Donors Businesses | 2008 | 2015 | SF | All citizens | |

| № | Title and Code of Projects | Value | | Financial contributions | | | | Implementa- tion | | Implementation status | Beneficiaries | | |
|----|--|----------|--------|-------------------------|-------------------|--------|------------|---------------------|--|--------------------------|---------------|-------|--------------------------------|
| | | MIL.MNT. | \$000. | Local sources | Central Budget | Donors | Partners | Start | Complete | | | | |
| | | | | | | | | | | | | | |
| | | | | % | MIL. \$ | % | MIL. \$ | | | | | % | MIL. \$ |
| 15 | G3:02:Pr3:Pt1: Establishment of cultural and information exchange centre | 30.0 | 25.8 | 10 | 3.0 | | 90 | 27.0 | Central gov. Businesses Prof. organizations | 2007 | 2009 | IS/SF | All citizens |
| 16 | G3:02:Pr3:Pt2: Reconstruction of lighting of soum centre and addresses of main streets and khashaas in ger district | 116.0 | 99.7 | | 14 | 16.2 | 86 | 99.7 | Central gov. Donors Businesses Prof. organizations | 2007 | 2010 | IS | All citizens |
| 17 | G3:02:Pr3:Pt3: Reconstruction of main roads and squares in soum centre | 1500.0 | 1288.7 | | 80 | 1200.0 | 20 | 300.0 | Central gov. SGO Businesses Prof. organizations | 2009 | 2013 | SF | All citizens |
| 18 | G3:02:Pr3:Pt4: Reconstruction of 10/04 kilowatt electricity lines in soum centre | 50.0 | 43.0 | | 100 | 50.0 | | | Central gov. SGO Electric power supply authority | 2007 | 2010 | IS | All citizens and businesses |
| 19 | G3:03:Pr3:Pt5: Reconstruction of soum centre heating network line | 40.0 | 34.4 | | 100 | 40.0 | | | Central gov. SGO | 2007 | 2009 | IS | All citizens and businesses |

| № | Title and Code of Projects | Value | | Financial contributions | | | | Implementa- tion | | Beneficiaries | | | |
|----|--|----------|--------|-------------------------|-------|----------------|--------|---------------------|-----------------------------|---------------|-------|----------|---|
| | | mil.MNT. | \$000. | Local sources | | Central Budget | Donors | | Partners | | Start | Complete | |
| | | | | % | MNT | | % | MNT | | | | | |
| | | | | | | | | | | | | | % |
| 20 | G2:03:Pr1:Pt1: Training in livestock and crop farming in high mountain environment | 5.0 | 4.3 | | | | 100 | 5.0 | SGO Businesses Donors | 2008 | 2009 | SF | |
| 21 | G2:03:Pr1:Pt2: Training in use of alternative sources for fire other than wood | 14.0 | 12.0 | 10 | 1.4 | | 90 | 12.6 | SGO Secondary school Donors | 2008 | 2009 | SF | All citizens Enterprises and businesses |
| 22 | G2:03:Pr1:Pt3: Training for voluntary medical assistances | 3.0 | 2.6 | 10 | 0.3 | | 90 | 2.7 | SGO Soum hospital Donors | 2008 | 2009 | SF | All citizens |
| 23 | G2:03:Pr1:Pt4: Training in public health activities | 8.0 | 6.9 | 10 | 0.8 | | 90 | 7.2 | SGO Soum hospital Donors | 2008 | 2015 | SF | All citizens |
| 24 | G2:03:Pr1:Pt5: Training in household – based production (living art) | 8.0 | 6.9 | | | | 100 | 8.0 | SGO Agric. Extension centre | 2008 | 2015 | SF | All citizens |
| 25 | G2:03:Pr2:Pt1: Preparation of professional workers through professional background training for secondary school students | 100.0 | 85.9 | 100 | 100.0 | | | | Central gov. SGO Donors | 2009 | 2015 | SF | All citizens |

| № | Title and Code of Projects | Value | | Financial contributions | | | | Implementa- tion | | | Implementation status | Beneficiaries | |
|----|--|----------|--------|-------------------------|-------------------|--------|-----|---------------------|---|----------|--------------------------|---------------|--|
| | | mil.MNT. | \$000. | Local sources | Central Budget | Donors | | Partners | Start | Complete | | | |
| | | | | | | % | MNT | | | | | | % |
| | | | | % | MNT | % | MNT | % | MNT | | | | |
| 26 | G3:04:Pr1:Pt1: Reconstruction of school building and school dormitory | 570.0 | 489.7 | | 100 | 570.0 | | | Central gov. SGO | 2007 | 2010 | IS | All citizens |
| | | | | | | | | | Secondary school Donors | | | | |
| 27 | G3:04:Pr1:Pt2: Establishment of an electronic library | 12.0 | 10.3 | | 40 | 4.8 | 60 | 7.2 | SGO Donors | 2008 | 2008 | SF | All citizens |
| 28 | G3:04:Pr1:Pt3: Reconstruction of spaces of pre-school education for children and provision of pre- school training facilities | 200.0 | 171.8 | | 100 | 200.0 | | | Central gov. SGO Donors Soum kindergarten | 2009 | 2011 | SF | All citizens |
| 29 | G3:05:Pr1:Pt1: Reconstruction and improvement of internal major roads (roads over Shivert and Dalt passes) | 200.0 | 171.8 | 5 | 10.0 | 40 | 55 | 110.0 | Central gov. SGO Donors | 2007 | 2010 | IS/SF | Ar tarkhi and Davaany ar bags citizens |
| 30 | G3:05:Pr1:Pt2: Connecting centers of Ar tarkhi and Bayankhoshuu bags to the central electricity grid | 150.0 | 128.9 | | 100 | 150.0 | | | Central gov. SGO Prof. organizations | 2009 | 2013 | SF | Ar tarkhi and Bayankhoshuu bags citizens |

| No | Title and Code of Projects | Value | | Financial contributions | | | | | Implementa- tion | | Beneficiaries | | | |
|----|---|----------|--------|-------------------------|----------------|--------|----------|----------|---------------------|------------------------------------|---------------|------|----------|--|
| | | mil.MNT. | \$000. | Local sources | Central Budget | Donors | | Partners | Start | Complete | | | | |
| | | | | | | % | mil.MNT. | | | | | % | mil.MNT. | |
| | | | | | | | | | | | | | | |
| 31 | G3:05:Pr2:Pt1: Establishment of a public and communal service at centers of Ar tarkhi and Davaany ar bags | 250.0 | 214.8 | | | 40 | 100.0 | 60 | 150.0 | Central gov. SGO Donors | 2008 | 2010 | SF | Ar Tarkio and Davaany ar bags citizens |
| 32 | G4:01:Pr1:Pt1: A general plan of soum development | 15.0 | 12.9 | | | | | 100 | 15.0 | Central gov. SGO Donors | 2007 | 2007 | SF | All citizens |
| 33 | G4:01:Pr1:Pt2: Reconstruction of soum administration office | 150.0 | 128.9 | | | 100 | 150.0 | | | Central gov. SGO | 2008 | 2010 | SF | All citizens |
| 34 | G4:01:Pr1:Pt3: Establishment of "Public service one stop shop" | 30.0 | 25.8 | 10 | 3.0 | 90 | 27.0 | | | SGO Donors Businesses | 2008 | 2009 | SF | All citizens |
| 35 | G4:02:Pr1:Pt2: Establishing a soum development financial sources designated for SME development | 100.0 | 85.9 | | | 60 | 60.0 | 40 | 40.0 | Central gov. SGO Donors Businesses | 2008 | 2015 | SF | Businesses |

5.6. Project Prioritization Matrix

| Rank | Title and Code of Projects | Project No | Hard (H), Soft (S) | Very significant | Significant | Not significant |
|------|--|------------|-----------------------|---------------------|-------------|--------------------|
| 1 | G4:01:Pr1:Pt3: Establishment of "Public service one stop shop" | 34 | S | 14 | 6 | 2 |
| 2 | G4:01:Pr1:Pt1: A general plan of soum development | 32 | S | 11 | 11 | 0 |
| 3 | G3:01:Pr1:Pt2: Expansion of the service capacity and facilities of the soum medical hospital | 10 | H | 12 | 9 | 1 |
| 4 | G3:01:Pr1:Pt3: Examination of soum population for AIDS and venereal diseases | 11 | S | 15 | 4 | 1 |
| 5 | G3:02:Pr3:Pt3: Reconstruction of main roads and squares in soum centre | 17 | H | 14 | 5 | 2 |
| 6 | G1:01:Pr1:Pt1: Assessment and mapping of soum forest resources | 1 | S | 11 | 10 | 0 |
| 7 | G1:04:P1:Pt1: Development of locally-specific optimal criteria of assessment of natural and ecological interrelationships | 5 | S | 10 | 11 | 0 |
| 8 | G1:01:Pr1:Pt2: Development and implementation of a soum "Green Belt" project for forest rehabilitation and protection | 2 | S | 8 | 14 | 0 |
| 9 | G3:02:Pr1:Pt1: Establishing new two points for distribution of de-mineralized water | 12 | H | 12 | 7 | 2 |
| 10 | G3:02:Pr3:Pt2: Reconstruction of lighting of soum centre and addresses of main streets and khashaas in ger district | 15 | S | 11 | 9 | 1 |
| 11 | G2:03:Pr2:Pt1: Preparation of professional workers through professional background training for secondary school students | 25 | S | 9 | 12 | 0 |
| 12 | G1:02:Pr1:Pt1: Mapping and development of rule of the use of pasture, hayland and cropland | 3 | S | 12 | 7 | 1 |
| 13 | G4:02:Pr1:Pt2: Establishing a soum development financial sources designated for SME development | 35 | S | 10 | 10 | 1 |
| 14 | G1:03:Pr1:Pt1: Pasture water improvement and use and protection of headwaters | 4 | S | 11 | 8 | 1 |
| 15 | G3:01:Pr1:Pt1: Improvement of access of bags and rural citizens to medical service | 9 | S | 8 | 13 | 0 |
| 16 | G3:04:Pr1:Pt2: Establishment of an electronic library | 27 | S | 10 | 9 | 2 |

| Rank | Title and Code of Projects | Project No | Hard (H), Soft (S) | Very significant | Significant | Not significant |
|------|--|------------|-----------------------|---------------------|-------------|--------------------|
| 17 | G3:05:Pr1:Pt1: Reconstruction and improvement of internal major roads (roads over Shivert and Dalt passes) | 29 | H | 9 | 11 | 1 |
| 18 | G3:05:Pr1:Pt2: Connecting centers of Ar tarkhi and Bayankhoshuu bags to the central electricity grid | 30 | H | 10 | 9 | 2 |
| 19 | G3:02:Pr2:Pt1: Introduction of community-supported solid waste management | 14 | S | 9 | 10 | 2 |
| 20 | G3:02:Pr3:Pt1: Establishment of cultural and information exchange centre | 16 | H | 11 | 7 | 2 |
| 21 | G2:03:Pr1:Pt5: Training in household-based production (living art) | 24 | S | 8 | 11 | 3 |
| 22 | G3:04:Pr1:Pt3: Reconstruction of spaces of pre-school education for children and provision of pre-school training facilities | 28 | H | 7 | 13 | 2 |
| 23 | G3:03:Pr3:Pt5: Reconstruction of soum centre heating network | 19 | H | 8 | 10 | 3 |
| 24 | G2:01:Pr1:Pt2: Public promotion to intensive livestock development through support of veterinary and livestock breeding service | 8 | S | 9 | 8 | 3 |
| 25 | G3:02:Pr1:Pt2: Connection of public authorities and entities to drinking water and sewage networks | 13 | H | 8 | 10 | 2 |
| 26 | G2:03:Pr1:Pt2: Training in use of alternative sources for fire other than wood | 21 | S | 7 | 11 | 3 |
| 27 | G4:01:Pr1:Pt2: Reconstruction of soum administration office | 33 | H | 7 | 11 | 3 |
| 28 | G3:02:Pr3:Pt4: Reconstruction of 10/04 kilowatt electricity lines in soum centre | 18 | H | 8 | 9 | 3 |
| 29 | G2:03:Pr1:Pt3: Training for voluntary medical assistances | 22 | S | 8 | 8 | 5 |
| 30 | G3:04:Pr1:Pt1: Reconstruction of school building and school dormitory | 26 | H | 8 | 9 | 3 |
| 31 | G3:05:Pr2:Pt1: Establishment of a public and communal service at centers of Ar tarkhi and Davaany ar bags | 31 | H | 6 | 11 | 4 |
| 32 | G2:03:Pr1:Pt4: Training in public health activities | 23 | S | 5 | 12 | 4 |
| 33 | G1:04:P1:Pt2: Initiate a phased training for improved community ecological education | 6 | S | 3 | 12 | 4 |

| Rank | Title and Code of Projects | Project No | Hard (H), Soft (S) | Very significant | Significant | Not significant |
|------|---|------------|-----------------------|---------------------|-------------|--------------------|
| 34 | G2:O1:Pr1:Pt1: Optimal integration of main agricultural subsectors and emerging development trends | 7 | S | 2 | 12 | 7 |
| 35 | G2:O3:Pr1:Pt1: Training in livestock and crop farming in high mountain environment | 20 | S | 4 | 8 | 8 |

Method for project prioritization

The projects included in the soum LED strategy were ranked by the stakeholders using three main criteria: very significant, significant and not significant. In order to undertake the ranking of the projects, 21 members of both of the Planning Commission and Working groups as well as the soum core teams were given the list of the projects. The main procedural stages of the prioritization of the projects were:

- Stage 1: Sort the projects by the stakeholders by their economic importance as hard (H) and soft (S)
- Stage 2: Assess the project by the stakeholders how they are significant
- Stage 3: Aggregate the findings of the stage 2, according to the criteria applied and calculate the average scores
- Stage 4: Rank the projects by listing down based on the scores: from high scores to low
- Stage 5: Make a project prioritization matrix

5.7. Strategic Directions of Soum Business Promotion

| Main Directions | Business Development Areas | Short Description | Contact Organizations & Person |
|---------------------------------|---|---|---|
| Intensive livestock development | Supply of improved male stock | To introduce feasible elements of intensification in pastoral production and improve the productivity of animal, the breed and genetic performances of male stock should be improved. As a part of this, arrangements are to be taken to select and raise best sires for pedigree breeding and supply herders with such improved genetics along with training and demonstration on care and technical and technological aspects of upgrading herd quality | Food & agricultural officer Veterinary and livestock breeding office, Tel: 0138251285 |
| | Establish dairy farms | 2 farms with 5–10 dairy cattle are created to supply milk to the citizens of soum centre | Food & agricultural officer Veterinary and livestock breeding office, Tel: 0138251285 |
| | Establish beef farms | Set up 2 farms through selection and raising best animals among the existing flocks of improved local cattle and introduction of better bulls | Food & agricultural officer Veterinary and livestock breeding office, Tel: 0138251285 |
| | Support to enterprises, organizations and citizens who are to raise intensive livestock | The main activities are to set up a revolving fund for the purchase of improved sires and dams and provide improved herd owners with sources to extend their operations | Food & agricultural officer Veterinary and livestock breeding office, Tel: 0138251285 |
| | Reconstruction of veterinary and livestock breeding service | Reconstruct the building and re-innovate equipment and facilities of the soum veterinary and livestock breeding service, and allocate training to the service staff | Soum governor's office Tel: 0138251285 |
| Chicken farming | Establish pig farm | Establish one farm in Tavantolgoi and Mandal bags to supply pork to the soum centre | Food & agricultural officer Veterinary and livestock breeding office Khoyor Bogd LLC Tel: 0138251285 |
| | | To establish 2–3 chicken farms in Tavantolgoi and Mandal bags to supply eggs and chicken | Food & agricultural officer Veterinary and livestock breeding office, Tel: 0138251285 |

| Main Directions | Business Development Areas | Short Description | Contact Organizations & Person |
|--|--|---|---|
| Intensified development of crop production | Grain seed improvement | Arrange selection and local multiplication of grain seed that is adapted to the soils and climatic conditions and produce certified seeds domestically so that the improved grain seed is available to the soum crop growers when needed. Grain companies and citizens are identified to be the main implementers | Soum governor's office Tel: 0138251285, Altan Duulga LLC Batzol LLC, Altan Ganzaga LLC |
| | Irrigated crop development | Initiate a local supply of hand and mechanic equipment and supplies for haymaking and small-scale crop activities and provide citizens & enterprises with training in irrigated crop production | Soum governor's office, Tel: 0138251285, Food & agricultural officer, Altan Duulga LLC |
| | Create seabuckthorn farming | Specialized farms for growing and selling seabuckthorn fruits and juice that allocated 3 ha of crop land will be established | Soum governor's office Altan Duulga LLC Tel: 0138251285 |
| Improved food production | Greenhouse vegetable growing | Build up a greenhouse to produce and supply fresh vegetables to soum consumers all the year around, and arrange training and demonstration to soum citizens in indoor vegetable farming. It will operate as a site for harboring locally adapted better seeds and supply of fertilizers and other chemicals | Soum governor's office Tel: 0138251285 Food & agricultural officer Citizens & enterprises |
| | Fodder crop growing | The activities are to cultivate forage crops for local production of animal feed to supply to both soum and other markets. Local crop companies, crop producers' groups and those individuals willing to engage in crop businesses can participate in this exercise | Soum governor's office Tel: 0138251285 Food & agricultural officer Citizens & enterprises |
| | Making wheat flour supplemented with minerals | Import and install a package of technologies and machineries for making wheat flour supplemented/ added with minerals and supply its products to markets | Soum governor's office Tel: 0138251285, Altan Duulga LLC, Batzol LLC |
| Centralized food market | Plant for making noodle, bakery and barley flour | A plant aiming to use the locally-produced high quality flour for making various flour-based products will be established. The components are to prepare a space where the plant is to be accommodated, purchase and installment of equipment and machineries, and train workers in the primary production technologies | Soum governor's office Tel: 0138251285 Batzol LLC |
| | Centralized food market | The task is to create conditions where the stable food items are sold in hygienic and safe place that ensures better service environment and storage. In order to achieve the task, a building for the centralized food market is to be built up with facilities for heating, electricity, water and storage installed. | Soum governor's office Tel: 0138251285 Food & agricultural officer Citizens & enterprises |

| Main Directions | Business Development Areas | Short Description | Contact Organizations & Person |
|---|--|---|---|
| Agricultural SME development | Refrigerated abattoir | To create a point where animal sold for meat are slaughtered under official veterinary and other standard control and store the meat in appropriate conditions to sell when the prices are better | Soum governor's office Tel: 0138251285 Food & agricultural officer Citizens & enterprises |
| | Shop for processing and packing nuts, fruits and vegetables | Implement measures to process and pack nuts, fruits and vegetables supplied by citizens & enterprises on a contracted basis. On the one hand, this would help to create new jobs and better presentation of local products to consumers, and promote local production to increase on the other. | Soum governor's office Tel: 0138251285 Nature & environment protection office, Citizens & enterprises |
| | Meat processing plant | Set up local facilities for lyophilized drying and canning various meat and transportation through purchase of machineries and equipment, and provide training in meat processing to those who are interested. | Soum governor's office Tel: 0138251285 Food & agricultural officer Citizens & enterprises |
| | Dairy plant | Contribute to the improved supply of milk and dairy products, create new jobs and capacity to offer training in dairy processing | Soum governor's office Tel: 0138251285 Food & agricultural officer Citizens & enterprises |
| Development of making of construction materials | Brick making plant | Based on the already established contacts and cooperation with foreign partners, to launch making bricks locally to supply soum and other markets. | Soum governor's office Barilga partnership Batzol LLC |
| | Chalk shop | Establish a shop for making chalk to exploit local deposits and supply soum and aimag markets | Soum governor's office Tel: 0138251285 Citizens & enterprises |
| | Making construction materials: blocks, concrete and wooden materials | Establish making construction materials newly based on the availability of local resources and labor to supply the soum citizens and aimag markets | Soum governor's office Tel: 0138251285 Citizens & enterprises |
| Service-oriented SME development | Automobile and electric facility repair shop | To set up a shop for a local repair of various kinds of engine-powered vehicles – agricultural machineries, motorcycles and cars, and household electric facilities accompanied with organizing training in better handling of mechanized and electric facilities | Soum governor's office Tel: 0138251285 Citizens & enterprises |

| Main Directions | Business Development Areas | Short Description | Contact Organizations & Person |
|----------------------------------|---|--|---|
| Service-oriented SME development | Plant for making pressed fuel | In order to reduce logging and use of wood for fuel, establish a plant to produce pressed hard fuel, which is an alternative to the conventional type of fuels. To advertise its products, the plant is to organize training and public awareness upgrading activities on challenges and benefits of using alternative fuel sources | Soum governor's office Tel: 0138251285 Citizens & enterprises |
| | Prepare trunk and dead tree for household fuel and facility upgrading | One of the potential options that could contribute to the accomplishment of the local initiatives to reduce logging and timber making is to arrange measures on the extended use of trunks and dead trees for both household fuel and building simple constructions like khashaas, animal shelters, enclosures, fences and so forth. Training and demonstration on the issue will be also arranged. | Soum governor's office Tel: 0138251285 Citizens & enterprises |
| | Create a communal service centre | To make available a space for rent for small-scale communal services such as hair dressing, beauty saloon, photography, shoe repair, cloth making and electronic repair shop | Soum governor's office Tel: 0138251285 Citizens & enterprises |
| | Promote private education and health service | The efforts of local government to upgrade local schooling service seem not enough to meet the local demand in improved preschool education. Therefore, the local government will encouragingly support initiatives towards improved preschool education by private stakeholders. The activity will cover important components by making available spaces, equipping, gathering professional staff and update the program and curriculums. | Soum governor's office Tel: 0138251285 Citizens & enterprises |
| | Private dental shop | As a part of the local policy to improve health service through improved accessibility of health care and launching new private services, the soum government supports an initiative to establish dental shop. The activity will cover all-important components such as making available spaces for new dental shop, equipping, gathering professional staffs and update the program and curriculums. | Soum governor's office Tel: 0138251285 Soum hospital |
| | Establish private secondary school | The soum government anticipates that support of private inventiveness to launch a private school will be one of the potential actions towards improved local school service. The components of this activity are to set up school building, install training facilities, hire professional teaching staff and update training program and curriculums | Soum governor's office Tel: 0138251285 Secondary school Citizens & enterprises |

| Main Directions | Business Development Areas | Short Description | Contact Organizations & Person |
|--------------------------------------|--|---|--|
| Upgrade living environment of people | Open up a public shower (to serve 20 people) | It is expected that launching a public shower will become a remarkable contribution to the expansion of communal services in the soum. The main activities are to build up special house designed for public shower and other support services. Can be combined with other businesses | Soum governor's office Tel: 0138251285 Communal service centre |
| | Build up comfortable & modern apartments | Any business initiatives to construct comfortable apartments for the soum citizens that have permanent junctions to the centralized heating and water supply/ sewage network will be always supported. In the first round, some 50 apartments will be built up. | Soum governor's office Tel: 0138251285 |
| | Supply renewable energy source to herders | An activity towards supply of equipment and supplies of renewable energy to herding population and train the users in renewable energy use and maintenance of equipment. The activity will also cover repair and upgrading equipment and supplies for renewable | Soum governor's office Tel: 0138251285 Citizens & enterprises |
| Improved information service | Mobile communication to herders | As a part of measures upon the improved herders' access to communication service, activities concerning the installing receiver and transmitter station and supply of mobile phone and train the users are proposed. This activity can be implemented in smaller components to be held by different businesses. | Soum governor's office Tel: 0138251285 Enterprises |
| | Launch an internet cafe | This refers to set up of an internet room that would help to launching a business-oriented communication service. Can be organized either separate or affiliated to other businesses. | Soum governor's office Tel: 0138251285 Post office Citizens & enterprises |
| | Open up a local FM | Launching a local FM will ease the internal circulation of information and announcements to our citizens and enterprises. This service can be arranged either as separate activity or as a component of other activities. | Soum governor's office Tel: 0138251285 Post office Citizens & enterprises |

5.8. Project Fiches

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| Nº 1 | Project: G1:O1:Pr1:Pt1: Assessment and mapping of soum forest resources | Program: G1:O1:Pr1: Optimize utilization of forest resources |
| <p>Short Description: The forest represents one of the important natural resources that the soum possess. In order to exploit existing forest resources most efficiently and sustainable, the total forest resources and the optimal logging should be assessed. At the same time, the fractions to be restored should also be preliminary determined. The mapping of soum forest resources and developing local policy of exploitation and rehabilitation of forest resources will serve as the primary sources for making appropriate decisions regarding optimal solving these problems, locally. The support of the soum government, citizens and professional organizations will be extreme important.</p> | | |
| <p>Expected Results:</p> <ul style="list-style-type: none"> • Determination of opportunities for the optimal use of the forest resources • The areas for forest rehabilitation identified and licensing logging fairly regulated. • Control of logging and timbering taken with the public and civic participation | | <p>Target Groups:</p> <ul style="list-style-type: none"> • Soum citizens • Businesses |
| <p>Potential Stakeholders to Participate:</p> <ul style="list-style-type: none"> • SGO • Forestry and nature protection professional organizations | | <p>Potential Contributors:</p> <ul style="list-style-type: none"> • Central government • Businesses • Professional organizations |
| Preconditions: None | | Risk Factors: None |
| Estimated Budgets, million MNT: | | 16.0 |
| <ul style="list-style-type: none"> • Preparation expenses | | 2.0 |
| <ul style="list-style-type: none"> • Payment for contracted work by professional organizations and experts | | 14.0 |
| Contact Organization & Person: SGO | | |
| Implementation Period: One year | | Impact Period: In 5–8 years the project will be implemented followed by revising for a new phase |

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| № 2 | Project: G1:O1:Pr1:Pt2: Development and implementation of a soum "Green Belt" project for forest rehabilitation and protection | Program: G1:O1:Pr1: Optimize utilization of forest resources |
| <p>Short Description: The project aims at contributing conservation of the forest resources and reducing air pollution in the soum centre through achieving two interrelated objectives: (i) rehabilitate forest resources, and (ii) upgrade green areas in the soum centre. It has been planned to arrange the forest rehabilitation in cooperation with professional institutions, local organizations, enterprises and citizens. In the framework of the component of upgrading green areas, a garden-type place for people to leisure and rest will be created through planting trees, restoring green grounds and rehabilitating areas surrounding ger households and organizations. However, the implementation of this project requires additional financial sources, which the soum does not able to afford. Some inception work on improving green areas of the soum centre has begun in 2007.</p> | | |
| <p>Expected Results:</p> <ul style="list-style-type: none"> • Reduction of diminishing forest resources • Upgrading and extending the green areas in the soum centre • Reduction of the air pollution and dusts in areas surrounding the soum centre | | <p>Target Groups:</p> <ul style="list-style-type: none"> • Soum citizens • SGO |
| <p>Potential Stakeholders to Participate:</p> <ul style="list-style-type: none"> • SGO • Aimag Nature Protection Authority • Soum citizens, enterprises and organizations | | <p>Potential Contributors:</p> <ul style="list-style-type: none"> • SGO • Businesses & organizations • Citizens • Donors |
| <p>Preconditions:</p> <ul style="list-style-type: none"> • The areas for rehabilitation identified • Training and practical demonstration on tree planting provided • The general soum development plan developed • The area for the a garden-type place identified | | <p>Risk Factors: None</p> |
| Estimated Budgets, million MNT: | | 50.0 |
| <ul style="list-style-type: none"> • Costs to buy 6000 seedlings • Planting, protection and care • Total expenses for upgrading soum centre green areas • Other costs | | <p>7.2</p> <p>14.0</p> <p>25.0</p> <p>3.8</p> |
| Contact Organization & Person: SGO | | |
| Implementation Period: 3 years in 2007–2009 | | Impact Period: After the project completed, the soum will take on to maintain the impacts |

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| № 3 | Project: G1:02:Pr1.Pt1: Mapping and development of rule of the use of pasture, hayland and cropland | Program: G1:02:Pr1: Optimize the utilization of agricultural land resources |
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Short Description: This project, which is proposed to be implemented in the field of optimal use of land resources will focus on the development of a rule for practical regulation of the utilization of pasture, hayfields and crop land under stable rotations and segmentations that would bring about crucial changes in the mental set up of businesses towards better handling land matters. The land for hayfield, grazing and crop activities will be identified along with the clear disjunctions of responsibilities and duties of soum administration, land users and land possessors in compliance of existing land legislations. Common land use rules and maps will be developed. In the result of these activities, the land use will comply with the land legislations. The degradation and erosion of grazing and farming land will be reduced along with increased crop yield per ha and improved efficiency of utilization of land resources.

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| Expected Results: <ul style="list-style-type: none"> • An efficient regulation of the use of agricultural land by the soum authorities set up • Reduction of degradation of pasture and loss of soil fertility caused by improper land • Increase in the carrying capacity of pasture • Disputes and conflicts borne by the use of pasture, hayfields and crop land reduced • Improvement of efficiency of land use | | Target Groups: <ul style="list-style-type: none"> • Businesses in livestock and crop sectors • Bag administration |
| Potential Stakeholders to Participate: <ul style="list-style-type: none"> • SGO • Professional authorities | | Potential Contributors: <ul style="list-style-type: none"> • Donors • SGO |
| Preconditions: <ul style="list-style-type: none"> • Approval of revised Law on Land • State expertise and assessment of the conditions of pastureland and hayland conducted • Training of soum land and food & agricultural officers | | Risk Factors: <ul style="list-style-type: none"> • Changes and amendments to the existing land legislations |
| Estimated Budgets, million MNT: | | 100.0 |
| <ul style="list-style-type: none"> • Expenses on measures for reduction of degradation and erosion of pasture and cropland • Costs for working with cooperating professional organizations • Costs for developing maps and rule | | 40.0 2.0 58.0 |
| Contact Organization & Person: SGO | | |
| Implementation Period: in 2006–2008 | | Impact Period: The impacts will be maintained after the completion of the project |

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| № 4 | Project: G1:O3:Pr1:Pt1: Pasture water improvement and use and protection of headwaters | Program: G1:O3:Pr1: Improve pasture water supply and reduce grazing pressure |
| <p>Short Description: The poor management of open sources and wells causes depletion in the availability of water generating many negative events such as unbalanced grazing pressures on pasture and mass drying and polluting open water, and increased incidents of disputes and conflicts among water users. All these conditions require an immediate implementation of water co-management that would upshot improved supply of water for pasture and crop accompanied with the better protection of natural and artificial water sources. With the support from the project, various types of activities on open up new 45 wells and rehabilitation of existing unused wells and community-based protection of water sources, and promoting irrigated crop production and co-managed water use. With the investments from central government and donor support, attempts to make new water points and protection of headwater have been underway since 2007.</p> | | |
| <p>Expected Results:</p> <ul style="list-style-type: none"> • The numbers of engineered and hand wells increased and the water supply to the soum centre and grazing areas improved • A public and community-based protection of natural water sources put in effect • Introduction of a co-management practices for water use and reduction of disputes and conflicts over the use of water sources • Improvement of the implementation of water legislation | | <p>Target Groups:</p> <ul style="list-style-type: none"> • Soum citizens • Businesses |
| <p>Potential Stakeholders to Participate:</p> <ul style="list-style-type: none"> • SGO • Soum citizens | | <p>Potential Contributors:</p> <ul style="list-style-type: none"> • Central government • Businesses • Donors |
| <p>Preconditions:</p> <ul style="list-style-type: none"> • The sources to be taken under protection identified • The locations and history of the use of wells determined | | <p>Risk Factors: None</p> |
| Estimated Budgets, million MNT: | | 100.0 |
| <ul style="list-style-type: none"> • Drilling 12 new deep wells • Protect headwaters of 16 springs and creeks • Costs for contracting rain water harvesting facilities • Costs for professional hydrological survey • Costs for training, survey and contracted work | | 92.0 2.0 4.0 0.6 1.0 |
| Contact Organization & Person: SGO | | |
| Implementation Period: 8 years from 2007 | | Impact Period: Throughout the lifespan of the project and after its completion |

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| № 5 | Project: G1:O4:P1:Pt1: Development of locally-specific optimal criteria of assessment of natural and ecological interrelationships | Program: G1:O4:P1: Improve public ecological education/knowledge |
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Short Description: The aim of the project is to assess the contemporary patterns of the natural conditions and determine the quantitative and spatial/geographical characteristics of natural plant fauna and wildlife kingdom along with other land-based water and forest resources. Therefore, it will facilitate predicting potential changes that may occur in the ecology and balance of the components of the entire ecosystems and put in effect actions on the protection, restoration and exploitation of the natural resources without harming the ecological balance. The implementation of the proposed project will result in the elaboration of the locally-adaptable criteria for assessment of the level of the optimal natural and ecological interrelationships in cooperation with professional organizations and development of a locally-specific methodology for ecological monitoring.

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| Expected Results: <ul style="list-style-type: none"> • Development of a set of criteria for controlling changes in optimal nature and ecology • Development of monitoring tools for changes in nature and ecology • Improvement of local attitude towards better conservation and exploitation of natural resources • Local practices of, and grassroots participation in harmless use of natural resources strengthened | | Target Groups: <ul style="list-style-type: none"> • Soum citizens |
| Potential Stakeholders to Participate: <ul style="list-style-type: none"> • SGO • Nature and Environment office, Khuvsgul aimag | | Potential Contributors: <ul style="list-style-type: none"> • Central government • Donors • Professional organizations |
| Preconditions: <ul style="list-style-type: none"> • Preplanned training and activities on the local awareness raising arranged with cooperation with professional organizations | | Risk Factors: <ul style="list-style-type: none"> • Local government is not able to implement the project on its alone • Poor ecological awareness of citizens |
| Estimated Budget, million MNT: | | 10.0 |
| <ul style="list-style-type: none"> • Survey on contemporary conditions of the nature and ecology • Development of criteria in association with professional organization | | 3.0 7.0 |
| Contact Organization and Person: Ts.Khuvsguldalai, soum governor D.Batjargal, soum deputy governor | | |
| Implementation Period: One year | | Impact Period: Simultaneously with the launching the project |

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| № 6 | Project: G1:O4:P1:Pt2: Initiate a phased training for improved community ecological education | Program: G1:O4:P1: Improve public ecological education/knowledge |
| <p>Short Description: The ways, natural resources are utilized in relation to the actual demand fully depend on the mentality and ecological knowledge/awareness of the citizens. Therefore, the soum society is challenged to implement a project on a systematic upgrading the ecological education and awareness of the citizens to make them learnt about the optimal use of existing resources along with seeding a sound ecological attitude in their mentality. SGO jointly with aimag Nature and Environment Protection Office will arrange training based on a preliminary prepared program. The implementation of this project will contribute to perfection of local knowledge and practices towards protection and truthful use of the resources and resonance local behavior towards community-participated conservation of local naturally-compounded environment.</p> | | |
| <p>Expected Results:</p> <ul style="list-style-type: none"> • A set of training on upgrading local awareness of ecology and its conservation arranged • Reduction of illegal timber logging and hunting as well as other unsanctioned harvesting of other resources • Mental set ups of people towards better nature conservation perfected • The healthiness of the ecology and environment to live improved • Advancement in the practices to make optimal and proper use of local natural resources | | <p>Target Groups:</p> <ul style="list-style-type: none"> • Soum citizens |
| <p>Potential Stakeholders to Participate:</p> <ul style="list-style-type: none"> • SGO • Nature and Environment office, Khuvsgul aimag | | <p>Potential Contributors:</p> <ul style="list-style-type: none"> • SGO • Secondary school • Donors |
| <p>Preconditions:</p> <ul style="list-style-type: none"> • Put up contact with professional and donor communities | | <p>Risk Factors:</p> <ul style="list-style-type: none"> • Poor availability of professionals who are committed to lead the local training |
| Estimated Budget, million MNT: | | 11.0 |
| <ul style="list-style-type: none"> • Development of training handouts • Costs for conducting training | | 4.0 6.4 |
| <p>Contact Organization and Person: Ts.Khuvsguldalai, soum governor D.Batjargal, soum deputy governor</p> | | |
| Implementation Period: one year from 2008 | | Impact Period: In one year after the project launched |

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| № 7 | Project: G2:O1:Pr1:Pt1: Optimal integration of main agricultural subsectors and emerging development trends | Program: G2:O1:Pr1: Reform of soum intensive agricultural farming policy |
| <p>Short Description: The overall goal of this project will be to elaborate a policy for the prioritized intensive development of those practices of agricultural sectors of the soum economy, which are well integrated with local resources and capacities, and the future trends of soum livestock and crop businesses. With the identified agricultural development policy, the use of land resources will be improved accompanied with an increase in the productivity of crop and livestock along with optimal alterations in the size of livestock herd and crop areas. The potentials for an integrated crop–livestock development in a synchronic and non–conflict way will be largely upgraded and maintained.</p> | | |
| <p>Expected Results:</p> <ul style="list-style-type: none"> • Identification of potential trends of future development of livestock and crop sectors • The inherent conflicts between crop and livestock sector eliminated and cooperation/ collaboration strengthened • The rate, to which the livestock and crop sectors can be intensified in agreement with the local potentials heightened • Reduction in the chronic dependence of the agricultural sector on the weather | | <p>Target Groups:</p> <ul style="list-style-type: none"> • Herders and crop growers • Soum citizens |
| <p>Potential Stakeholders to Participate:</p> <ul style="list-style-type: none"> • Food and Agricultural Authority, Khuvsgul aimag • SGO • Producers' associations | | <p>Potential Contributors:</p> <ul style="list-style-type: none"> • Producers' associations • Donors • Citizens • Business enterprises |
| <p>Preconditions: None</p> | | <p>Risk Factors:</p> <ul style="list-style-type: none"> • The weak trust between herders & crop growers |
| Estimated Budget, million MNT: | | 4.0 |
| <ul style="list-style-type: none"> • Survey on current conditions of livestock and crop sector | | 1.5 |
| <ul style="list-style-type: none"> • Organize stakeholders' meetings and consultations on development priorities and business upgrading in crop and livestock sectors | | 1.0 |
| <ul style="list-style-type: none"> • Development of a document on long–term development trends | | 5 |
| <p>Contact Organization and Person: Ts.Khuvsguldalai, soum governor D.Batjargal, soum deputy governor</p> | | |
| Implementation Period: One year | | Impact Period: After one year |

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| № 8 | Project: G2:O1:Pr1:Pt2: Public promotion to intensive livestock and crop development through support of veterinary and livestock breeding service | Program: G2:O1:Pr1: Reform of soum intensive agricultural farming policy |
| <p>Short Description: The service for animal health and breeding in the soum has been abandoned as the result of the collapse of the national system. Moreover, the unsatisfactory low share of high productive stock in the total soum herd that makes only 0.4%, doubtlessly confirms that no reliable prerequisites for developing livestock production in an intensive way have yet been created. The veterinary service often fails to offer a service that is widely appreciated by the livestock producers. Also, needs for introducing improved crop seeds and promote irrigated crop production are running high. The implementation of the project will result in the elaboration of a soum/bag policy and pilot mechanisms to support crop producers in obtaining good seeds and promote herders' interest to raise selected pedigree stock through professional intermediation and methodological guidance.</p> | | |
| <p>Expected Results:</p> <ul style="list-style-type: none"> • Improvement of quality of soum veterinary and livestock breeding service • An increase in the productive indicators per head and per ha. • The ability of agricultural produces to mitigate natural risks improved • Higher amount of products from fewer animals will reduce the pressure on pasture • Improvement in production environment of agricultural producers and their living standard | | <p>Target Groups:</p> <ul style="list-style-type: none"> • Herders • Bag administration • Veterinary & Livestock Breeding Service • Private vets |
| <p>Potential Stakeholders to Participate:</p> <ul style="list-style-type: none"> • SGO • Food and Agricultural Authority, Khuvsgul aimag | | <p>Potential Contributors:</p> <ul style="list-style-type: none"> • SGO • Donors • Herders • Business enterprises |
| <p>Preconditions:</p> <ul style="list-style-type: none"> • The directions and perspectives of aimag and soum agricultural development identified • Herders and crop producers attended training and demonstration on intensive agricultural production | | <p>Risk Factors: None</p> |
| Estimated Budget, million MNT: | | 20.0 |
| <ul style="list-style-type: none"> • Equipment and supplies for strengthening capacity of the soum veterinary and livestock breeding service • Organize fair of high productive animals • Costs for creating selected flocks of different livestock species | | <p>6.0</p> <p>4.0</p> <p>10.0</p> |
| <p>Contact Organization and Person: Ts.Khuvsguldalai, soum governor D.Batjargal, soum deputy governor</p> | | |
| Implementation Period: 2008–2012 | | Impact Period: The impacts of the project will be available from the first year |

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| № 9 | Project: G3:O1:Pr1:Pt1: Improvement of access of bags and rural citizens to medical service | Program: G3:O1:Pr1: Improve medical service |
| <p>Short Description: The soum health service, which employs a chief surgeon, has a hospital with 25 beds, and a medical doctor in rural 5 bags. This poor material and human resources make the health care of a poorly low quality and weak to access people in need. The project, the soum stakeholders suggest, covers a package of activities: to build a new health centre in Mandal bag with 800 households and 3200 inhabitants, and set up a hospital units in remote bags: Davaany ar (75 km from soum centre) and Ar tarkhi (80 km from soum centre). Since 2007, the soum governor's office arranges measures towards establishing a unit in bags. Therefore, it is quite possible to share sources either to set up an entire unit in one bag and take onto other, or implement same activity/ies in each bag simultaneously.</p> | | |
| <p>Expected Results:</p> <ul style="list-style-type: none"> • Improvement of prompt delivery of health care to rural people • Reduction of illness among rural citizens through extended coverage of health service in bags • Improvement of working conditions of the medical personnel • Improved health will contribute better economic growth | | <p>Target Groups:</p> <ul style="list-style-type: none"> • Citizens of Mandal, Davaany ar & Ar tarkhi bags |
| <p>Potential Stakeholders to Participate:</p> <ul style="list-style-type: none"> • SGO • Aimag health authority • Soum hospital | | <p>Potential Contributors:</p> <ul style="list-style-type: none"> • SGO • Soum hospital • Donors |
| <p>Preconditions:</p> <ul style="list-style-type: none"> • Costs and construction design of bag unit developed • Personnel to work in bag health centre and units prepared | | <p>Risk Factors: None</p> |
| Estimated Budget, million MNT: | | 26.0 |
| <ul style="list-style-type: none"> • A new health centre in Mandal bag • Hospital units in Davaany Ar and Ar Tarkhi bags | | 10.0 16.0 |
| <p>Contact Organization and Person: D.Batjargal, soum deputy governor L.Gerelkhuu, soum chief surgeon</p> | | |
| Implementation Period: 2007–2015 | | Impact Period: After the project implemented |

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| № 10 | Project: G3:O1:Pr1:Pt2: Expansion of the service capacity and facilities of the soum medical hospital | Program: G3:O1:Pr1: Improve medical service |
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Short Description: Tarialan soum, a home for its 6000 people, is very remote from centralized large settlements: 500 km from Ulaanbaatar and 160 km from the aimag centre. As mentioned earlier, there operates a hospital with 25 beds. Only one high-educated doctor works in the soum instead of 5. The health care service seems not able to assure reduced illness among the soum population; the number of patients who receive treatment in the hospital has been on the rise. Poor equipment and facilities do not allow delivering a service people need. In order to get better diagnosis, many people are forced to go to the aimag centre, Ulaanbaatar, Darkhan and Erdenet. The main components of the project, which will aim at upgrading the capacity of the soum hospital, are to reconstruct the building of the hospital with a partial expansion to it, and supply of equipment and facilities as well as better staffing with more doctors and medical assistants. The implementation of the project will upgrade local health service so that people can receive important therapeutics and diagnoses locally. The project can be implemented in stages provided a continued financial and logistics supports are made available.

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| Expected Results: <ul style="list-style-type: none"> The number of doctors working in the soum centre hospital and bags reaches the national standard Increase in the availability of spaces in the hospital Improvement of the quality and availability of preventive measures Reduction in and out migration of people for treatment and diagnosis Reduction of illness among soum population with health status improved | | Target Groups: <ul style="list-style-type: none"> Soum citizens |
| Potential Stakeholders to Participate: <ul style="list-style-type: none"> SGO Aimag health authority Soum hospital | | Potential Contributors: <ul style="list-style-type: none"> Central government SGO Soum hospital Donors |
| Preconditions: <ul style="list-style-type: none"> Budget and design of reconstruction and expansion of soum hospital developed | | Risk Factors: None |
| Estimated Budget, million MNT: | | 140.0 |
| <ul style="list-style-type: none"> Reconstruction of equipment and supplies of the hospital | | 21.0 |
| <ul style="list-style-type: none"> Train 3 medical doctors through university and provide with living conditions | | 9.0 |
| <ul style="list-style-type: none"> Expansion of hospital and drug shop building | | 110.0 |
| Contact Organization and Person: D.Batjargal, soum deputy governor L.Gerelkhuu, soum chief surgeon | | |
| Implementation Period: 4 years | | Impact Period: As sustainable exploitation of the impacts becomes in one year after the project completed |

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| № 11 | Project: G3:O1:Pr1:Pt3: Examination of soum population for AIDS and venereal diseases | Program: G3:O1:Pr1: Improve medical service |
| <p>Short Description: As a rule, AIDS and venereal diseases are those for which people refrain from being examined voluntarily. The project is, therefore to offer a medical examination to the citizens living in our soum for these diseases to identify infected people and put them under treatment so that further transmission to healthy people is halted. In cooperation with the Aimag health authority, the soum hospital will conduct examination of people and measures upon the immediate treatment will be taken. Along with the examination, the project will arrange training and consultancy on the prevention from the socially transmissible diseases will be arranged.</p> | | |
| <p>Expected Results:</p> <ul style="list-style-type: none"> • Treatment of people infected communicable venereal diseases • Extended people awareness of prevention of important diseases • Elimination of sources for transmission of venereal disease to other people | <p>Target Groups:</p> <ul style="list-style-type: none"> • Soum citizens | |
| <p>Potential Stakeholders to Participate:</p> <ul style="list-style-type: none"> • SGO • Aimag health service • Soum hospital | <p>Potential Contributors:</p> <ul style="list-style-type: none"> • Central government • Donors • Aimag & soum health service | |
| <p>Preconditions:</p> <ul style="list-style-type: none"> • Hiring professionals from the aimag health authority negotiated • Announcements about the examinations delivered to the citizens, bags and organizations and a workplan made | | |
| Estimated Budgets, million MNT: | | 10.0 |
| Contact Organization & Person: General surgeon, Tarialan soum | | |
| Implementation Period: One year | Impact Period: The impacts are maintained after the project completed | |

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| № 12 | Project: G3:O2:Pr1:Pt1: Establishing new two points for distribution of de-mineralized water | Program: G3:O2:Pr1: Upgrade drinking water supply and sewage networking in soum centre |
| Short Description: The water from two wells at the soum centre, which are currently in use is hard, does not meet the basic food hygiene requirements, and badly affects the health of people. Therefore, it is suggested to initiate a project aiming at drilling other two wells and install water purifying/de-mineralizing devices. The project will result in supply of high quality clean and hygienic water to the residents of the soum centre. Wells can be drilled one by one and the devices can be installed in sequences. | | |
| Expected Results: <ul style="list-style-type: none"> • Water, which satisfies the basic food hygiene requirements, made available. • Improvement of supply of drinking water to the soum centre dwellers | | Target Groups: <ul style="list-style-type: none"> • Soum citizens |
| Potential Stakeholders to Participate: <ul style="list-style-type: none"> • SGO • Professional organizations | | Potential Contributors: <ul style="list-style-type: none"> • SGO • Donors • Professional organizations • Central government |
| Preconditions: <ul style="list-style-type: none"> • Arrange a hydrological survey for drilling two new wells • Collect information on availability of water purifying devices that suit local requirements • Prepare a space, where the water purifying devices are installed | | Risk Factors: None |
| Estimated Budgets, million MNT: | | 50.0 |
| <ul style="list-style-type: none"> • Reconstruct equipment and space of existing two wells • Select and train people to • Drill two new deep wells • Purchase and install water purifying/de-mineralizing devices | | 2.0 0.8 24.0 23.2 |
| Contact Organization & Person: SGO | | |
| Implementation Period: Two years | | Impact Period: As there are 4 wells in operation, the shortage of high quality drinking water will be eliminated. |

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| №13 | Project: G3:O2:Pr1:Pt2: Connection of public organizations and entities to drinking water and sewage networks | Program: G3:O2:Pr1: Upgrade drinking water supply and sewage networking in soum centre |
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Short Description: The distribution of drinking water to organizations, enterprises and households in the soum centre through transportation and lack of permanent connection to sewage system affects the health of people and makes the functioning of major organizations and businesses difficult. In the first run, it is proposed to implement a project on installing a connection of major organizations, enterprises and houses to the drinking and sewage water system. This will enable to extend the connection to other entities and ger district. The implementation of the project will contribute to creation of healthy environment to live and work.

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| Expected Results: <ul style="list-style-type: none"> • Installation of a reliable system for supply of clean water to public service organizations and businesses • Improvement of conditions of working spaces of organizations, enterprises and houses • Opportunities to expand production and services and improve quality of services created • Improvement of the hygienic and living conditions of soum centre citizens | | Target Groups: <ul style="list-style-type: none"> • Soum citizens • Public business organizations • Businesses |
| Potential Stakeholders to Participate: <ul style="list-style-type: none"> • SGO • Professional organizations | | Potential Contributors: <ul style="list-style-type: none"> • Central government • Businesses • Professional organizations • Donors |
| Preconditions: None | | Risk Factors: None |
| Estimated Budgets, million MNT: | | 350.0 |
| <ul style="list-style-type: none"> • Design of construction work to connect to drinking and sewage water system and reconstruction and maintenance of heating network | | 3.0 |
| <ul style="list-style-type: none"> • Building drinking and sewage water constructions | | 120.0 |
| <ul style="list-style-type: none"> • Connect organizations, enterprises and houses to drinking and sewage water system | | 227.0 |
| Contact Organization & Person: SGO | | |
| Implementation Period: 2009–2013 | | Impact Period: The impacts are visual after the project implemented |

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| № 14 | Project: G3:O2:Pr2:Pt1: Introduction of community-supported waste management | Program: G3:O2:Pr2: Efficient solid waste management |
| <p>Short Description: From the point of view of protection of natural environment and requirements of health of people and hygiene of production, the waste management in soum centre and areas where people are concentrated has been a priority issue to be solved. Thus, the proposed project will aim to implement activities on amassing solid wastes by collecting and transportation, preventing by fencing from further expanding, and barring wastes, which are non-harmful to the soil and water, in a landfill, and provide households with training in proper waste management. By maintaining such arrangements, existing problems associated with improper disposal of solid wastes and garbage will be completely solved, and important steps will be made towards creation of cleaner natural and ecological environment and pleasant healthy living conditions.</p> | | |
| <p>Expected Results:</p> <ul style="list-style-type: none"> • Building a protective fence around the open ground for waste disposal to cease further escalation of waste disposal area • Introduction of optimal solid and liquid waste management • An important step towards improving the healthiness of the environment made | | <p>Target Groups:</p> <ul style="list-style-type: none"> • Soum citizens |
| <p>Potential Stakeholders to Participate:</p> <ul style="list-style-type: none"> • SGO • Businesses • Soum citizens | | <p>Potential Contributors:</p> <ul style="list-style-type: none"> • SGO • Businesses • Donors |
| Preconditions: None | | Risk Factors: None |
| Estimated Budgets, million MNT: | | 45.0 |
| <ul style="list-style-type: none"> • Costs for diminishing existing waste disposal area and establishing protective fence and posts and hiring watchman • Set up a plant for sorting and reprocessing wastes and garbage • Operational costs associated with transportation of soum centre waste and training for grassroots | | <p>5.0</p> <p>30.0</p> <p>10.0</p> |
| Contact Organization & Person: SGO | | |
| Implementation Period: in 2008–2015 | | Impact Period: The completion of the project will trigger the impact period |

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| № 15 | Project: G3:02:Pr2:Pt1: Reconstruction of lighting of soum centre and addresses of main streets and khashaas in ger district | Program: G3:02:Pr3: Improve living conditions of people |
| <p>Short Description: Apart some ordinary lights in the heart of the central part of the soum centre, the central streets and squares have no name and lighting specially designed for urban areas. Roads lack traffic signs. By implementing the proposed project, soum centre and ger districts will have proper lighting and all streets and squares will have names and addresses. As a part of the project, measures to mark the autoroads and pedestrian walkways will be taken along with re-doing the address plates of khashaas in ger district. With the reconstructed lights and upgraded roads and walkways, and re-arranged addresses, the soum centre will be upgraded into more developed settlement area and conditions for safe and comfortable living will be created.</p> | | |
| <p>Expected Results:</p> <ul style="list-style-type: none"> • Improvement of the overall complexion of the ger districts and streets and squares • Possibilities for the improved public service delivery become better • Reduction of incidences of thieving, crime and law breaking • A significant step towards safe and improved living environment made | | <p>Target Groups:</p> <ul style="list-style-type: none"> • Soum citizens |
| <p>Potential Stakeholders to Participate:</p> <ul style="list-style-type: none"> • SGO • Soum citizens | | <p>Potential Contributors:</p> <ul style="list-style-type: none"> • Central government • Businesses • Professional organizations |
| Preconditions: None | | Risk Factors: None |
| Estimated Budgets, million MNT: | | 30.0 |
| <ul style="list-style-type: none"> • Making addresses of substreets, squares and districts of soum centre 1.4 • Installing lights in Gakhain khonkhor, Khoid enger and Shoony khonkhor 12.0 • Upgrading existing facilities and installing lighting central streets 16.6 | | |
| Contact Organization & Person: SGO | | |
| Implementation Period: in 2007–2009 | | Impact Period: Impacts of the project will be maintained over a long period |

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| Nº 16 | Project: G3:O2:Pr3:Pt1: Establishment of cultural and information exchange centre | Program: G3:O2:Pr3: Improve living conditions of people |
| <p>Short Description: Due to lack of proper place for leisure and entertaining, young people get pleasure in drinking and elders play in domino to kill time. It also becomes a motive of occurring crime. The proposed project, therefore will implement the long-term plan of soum government to create an open garden park where a scene for cultural and art performance, a vertical water fountain (with decorated soum symbol), playground for children and seats with assemble of decorative lights are inaugurated. The park will be a place where citizens and the youths to spend their spare time in summer and exchange of information and news. In order to put a start, soum government has been arranging some work with its own sources: identifying land space, where the park will be built and planting trees, upgrading green grounds. To keep the already started activities going, individual components of the project can be separately financed and implemented.</p> | | |
| <p>Expected Results:</p> <ul style="list-style-type: none"> • Implementation of an activity influential to the overall complexion of the soum centre and local culture • The park will become a place where the youths and other people spend their time, gathering new information and new knowledge | | <p>Target Groups:</p> <ul style="list-style-type: none"> • Soum citizens |
| <p>Potential Stakeholders to Participate:</p> <ul style="list-style-type: none"> • SGO • Professional organizations • Soum citizens | | <p>Potential Contributors:</p> <ul style="list-style-type: none"> • Central government • Donors • Businesses • Professional organizations |
| Preconditions: None | | Risk Factors: None |
| Estimated Budgets, million MNT: | | 116.0 |
| <ul style="list-style-type: none"> • Developing construction design of cultural and information exchange centre • Construction of building of the centre • Upgrading internal set up | | <p>5.0</p> <p>90.0</p> <p>21.0</p> |
| Contact Organization & Person: SGO | | |
| Implementation Period: 2007–2010 | | Impact Period: After the completion of the project, the impacts of the project will be maintained |

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| №17 | Project: G3:O2:Pr3:Pt3: Reconstruction of main roads and squares in the soum centre | Program: G3:O2:Pr3: Improve living conditions of people |
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Short Description: Put up an asphalt road along the main street stripped by garden-type spaces from both sides and neon-light advertisement board for local businesses, and walkways that meet the main autoroads will be the major component of the project. 8 km hard-top road that connects the soum centre with the highway to the city of Murun, the centre of Khuvsgul aimag should be built. The work to upgrade the central part of the soum centre along with new roads will add more magnificence to the good comforts of the soum centre and improved road connections. In addition to the contributions of the soum administration and citizens, the implementation of the project will require assistances and inputs by financing and professional organizations. The individual components of the project can be supported and implemented as separate subproject or activity.

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| Expected Results: <ul style="list-style-type: none"> • Improvement of roads within the soum centre and beyond • The complexion and overview of the soum centre improved and upgraded to a new level • The conditions and environment for the soum centre people made more enjoyable and comfortable | | Target Groups: <ul style="list-style-type: none"> • Soum citizens • Businesses |
| Potential Stakeholders to Participate: <ul style="list-style-type: none"> • SGO • Soum citizens • Businesses • Professional organizations | | Potential Contributors: <ul style="list-style-type: none"> • Central government • Businesses • Professional organizations • Donors |
| Preconditions: <ul style="list-style-type: none"> • The general soum development plan developed • Design of road construction and costs estimates developed | | Risk Factors: None |
| Estimated Budgets, million MNT: | | 1500.0 |
| <ul style="list-style-type: none"> • Design of road construction within soum centre and junctions to central road | | 12.0 |
| <ul style="list-style-type: none"> • Build 8 km hard-top road that connects the soum centre and main central road | | 900.0 |
| <ul style="list-style-type: none"> • Upgrading auto roads and walkways and surrounding areas | | 588.0 |
| Contact Organization & Person: SGO | | |
| Implementation Period: 2009–2013 | | Impact Period: Completion of the project will evidence the impacts |

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| № 18 | Project: G3:O2:Pr3:Pt4: Reconstruction of 10/04 kilowatt electricity lines in soum centre | Program: G3:O2:Pr3: Improve living conditions of people |
| <p>Short Description: Due to lack of capital repair and remount over a long period, the soum centre electricity lines, transformers and other facilities have been badly damaged causing loss of the power, sudden and unwarned electricity cut-offs, and a danger of causing fire has been matured. A poor and less reliable electricity supply affects stable functioning of soum businesses and people. At the same time, no expansion of the lines becomes possible. The project will aim to upgrade the electricity supply system in the soum centre to secure its safe and reliable functioning with possible expansion. A preliminary work on repair of some key parts of the line has begun in 2007.</p> | | |
| <p>Expected Results:</p> <ul style="list-style-type: none"> • Improvement of the reliability of the electricity supply system • Reduction in the costs of maintenance of electricity line • Businesses and households provided with reliable electricity sources • Opportunities for the expansion of the electricity supply extended | | <p>Target Groups:</p> <ul style="list-style-type: none"> • Soum citizens • Businesses |
| <p>Potential Stakeholders to Participate:</p> <ul style="list-style-type: none"> • Central government • SGO • Energy supply organizations | | <p>Potential Contributors:</p> <ul style="list-style-type: none"> • Central government • Donors |
| <p>Preconditions:</p> <ul style="list-style-type: none"> • The general soum development plan approved • The design of reconstruction of the electricity supply system developed | | <p>Risk Factors:</p> <ul style="list-style-type: none"> • Not enough finances earmarked |
| Estimated Budgets, million MNT: | | 50.0 |
| <ul style="list-style-type: none"> • Replace posts of 10/04 kwt line in soum centre with concrete and put up new lines | | 40.0 |
| <ul style="list-style-type: none"> • Install new transformer in Gakhain khonkhor | | 10.0 |
| Contact Organization & Person: Ts.Khuvsguldalai, Governor, Tarialan soum | | |
| Implementation Period: 2007–2010 | | Impact Period: The impacts will be stable after the reconstruction completed |

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| №19 | Project: G3:O3:Pr3:Pt5: Reconstruction of soum centre heating network line | Program: G3:O2:Pr3: Improve living conditions of people |
| <p>Short Description: Because of continued exploitation over many years, the heating system has been undergone a significant amortization and out-dated and regular maintenance is required. It worsens the reliability of the system to work properly during the heating season, especially in cold times. No expansion of the existing network is possible. Surely, this badly affects the stability and reliability of the public and business organizations and people. In this connection, the proposed project will aim at ensuring the reliable functioning of the heating system. The main activities are to repair and re-install main units and knots along with replacing under and aboveground constructions to enable further expansion and capacity to serve many users. Attempts to get some sources from central government are underway.</p> | | |
| <p>Expected Results:</p> <ul style="list-style-type: none"> • Improvement of the reliability of the heating system • Businesses and households provided with reliable electricity sources • Opportunities for the expansion of the electricity supply to bring more users and new buildings and objects extended | | <p>Target Groups:</p> <ul style="list-style-type: none"> • Soum citizens • Businesses |
| <p>Potential Stakeholders to Participate:</p> <ul style="list-style-type: none"> • Central government • SGO | | <p>Potential Contributors:</p> <ul style="list-style-type: none"> • Central government • Donors |
| <p>Preconditions:</p> <ul style="list-style-type: none"> • The general soum development plan approved • The design of reconstruction of the heating system developed | | <p>Risk Factors:</p> <ul style="list-style-type: none"> • Not enough finances earmarked |
| Estimated Budgets, million MNT: | | 40.0 |
| <ul style="list-style-type: none"> • Develop design of reconstruction and expansion of heating centrals at the communal service centre • Reconstruct and expansion of the central heating • Replace and re-install machineries and equipment | | <p>1.0</p> <p>25.0</p> <p>14.0</p> |
| Contact Organization & Person: Ts.Khuvsguldalai, Governor, Tarialan soum | | |
| Implementation Period: 2007–2009 | | Impact Period: The impacts will be stable after the reconstruction completed |

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| № 20 | Project: G2:O3:Pr1:Pt1: Training in livestock and crop farming in high mountain environment | Program: G2:O3:Pr1: Upgrade skills and professional level of citizens |
| <p>Short Description: Acquiring the specialties and nuances of farming of both crop and livestock in the high mountain areas is the driving force for a successful development of these sectors in our soum. This goal, as the local stakeholders argue is achievable through a systematic training that finds adequate combinations of the traditional ways and modern technologies. The tasks for the project are to organize locally arranged measures for the local producers including young herders and crop workers to assist in acquiring traditional farming technologies in association with the contemporary methods such as training, consultancy and demonstrations for updating local skills and capacity building. Initiating and maintaining such activities would provide a good ground on which an integrated crop–livestock production can be built up that would result in improved living standard.</p> | | |
| <p>Expected Results:</p> <ul style="list-style-type: none"> • Improvement of skills local crop and livestock producers in traditional and modern farming practices • The overall development capacity and performance of crop and livestock sector strengthened | | <p>Target Groups:</p> <ul style="list-style-type: none"> • Herders & crop growers • Soum citizens |
| <p>Potential Stakeholders to Participate:</p> <ul style="list-style-type: none"> • SGO • Agricultural extension centre • Businesses | | <p>Potential Contributors:</p> <ul style="list-style-type: none"> • SGO • Businesses • Donors |
| <p>Preconditions:</p> <ul style="list-style-type: none"> • A survey on local demand in training conducted and major areas identified • Local people who arrange or to lead training and other activities identified | | <p>Risk Factors: None</p> |
| Estimated Budgets, million MNT: | | 5.0 |
| Contact Organization & Person: Ts.Khuvsguldalai, Governor, Tarialan soum | | |
| Implementation Period: 2008–2009 | | Impact Period: One year after the project completed |

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| № 21 | Project: G2:O3:Pr1:Pt2: Training in use of alternative sources for fire other than wood | Program: G2:O3:Pr1: Upgrade skills and professional level of citizens |
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Short Description: The traditional use of wood as a single source for fire in all households, organizations and other establishments that is borne by the lack of practices of utilizing other sources significantly contributes the reducing forest resources and accelerates the negative trends and changes in the surrounding environment. The overall goals of the proposed project are to educate local people in the use of widely available fuel sources such as animal dun, coal, dead trees and stubs and assist them in introducing new types of stoves that generate a full burning. Various types of community-targeted activities such as group training and demonstrations, household-based training and skill-upgrading activities will be the main tools to achieve the goals of the proposed project. Reduced use of wood for fuel would be the positive impacts from the project, which therefore, will contribute to the conservation of local natural ecology and environment.

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| Expected Results: <ul style="list-style-type: none"> Reduction of the volume of wood used for the fire by citizens and organizations The air pollution in soum centre depleted | | Target Groups: <ul style="list-style-type: none"> Soum citizens Public business enterprises |
| Potential Stakeholders to Participate: <ul style="list-style-type: none"> SCRKh SGO Secondary school Businesses | | Potential Contributors: <ul style="list-style-type: none"> SGO Businesses Donors |
| Preconditions: <ul style="list-style-type: none"> A survey on local demand in training conducted and training materials and handouts designed Local people who arrange or to lead training and other activities identified | | Risk Factors: None |
| Estimated Budgets, million MNT: | | 14.0 |
| <ul style="list-style-type: none"> Organize field day and fair on the use alternative sources for fuel Expenses to pilot on making/producing locally pressed fossil fuel Training in use and produce fuel other than wood | | 2.0 10.0 2.0 |
| Contact Organization & Person: SGO, Nature & environment protection officer, SGO | | |
| Implementation Period: 2008–2009 | | Impact Period: After the project, the impacts will be come true |

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| Nº 22 | Project: G2:O3:Pr1:Pt3: Training for voluntary medical assistances | Program: G2:O3:Pr1: Upgrade skills and professional level of citizens |
| <p>Short Description: In our conditions, where people are scarcely settled in remote areas in fewer numbers, there is need to have people trained and equipped with basic knowledge and skills of taking care of health of people and delivery of first medical aids, and look after person in need. Under the proposed project, acquiring such knowledge and skills can be realized through training of health care volunteers. The training for the medical volunteers can be arranged through exploitation of existing facilities of the soum hospital as specialized activity. The training will cover members of families, which need trained health care person and individuals selected on a territorial basis. The soum secondary school could offer to the pupils to study the voluntary health care practices.</p> | | |
| <p>Expected Results:</p> <ul style="list-style-type: none"> • Improvement of the primary knowledge and skills of people • Local health care volunteers trained and health care practices introduced • The health service brought more close to people | | <p>Target Groups:</p> <ul style="list-style-type: none"> • Soum citizens • Vulnerable groups |
| <p>Potential Stakeholders to Participate:</p> <ul style="list-style-type: none"> • SGO • Soum hospital | | <p>Potential Contributors:</p> <ul style="list-style-type: none"> • SGO • Businesses • Donors |
| <p>Preconditions:</p> <ul style="list-style-type: none"> • The local demand in special health care identified • People who wish to attend the volunteer health care training identified • The needs in facility development determined | | <p>Risk Factors: None</p> |
| Estimated Budgets, million MNT: | | 3.0 |
| Contact Organization & Person: Soum hospital | | |
| Implementation Period: 2008–2009 | | Impact Period: The impacts will be sustainable after the completion of the project |

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| № 23 | Project: G2:O3:Pr1:Pt4: Training in public health | Program: G2:O3:Pr1: Upgrade skills and professional level of citizens |
| <p>Short Description: Owing poor health knowledge and skills, citizens frequently fail to take better care of their health. Training and health education programs with an extended coverage of the majority of soum citizens will focus on the improved fitness and proper working/ resting and consumption, and treat with skills and cares of regular access the medical service, prevention from infections and upgrade skills in first medical aid. The local hospital expresses its commitment to share its human and material resources through group training and demonstrations, household-based training and skill-upgrading activities. A voluntary attendance by those who are interested will be encouraged. The training will be held every year throughout the LED strategy lifespan with subjects and goals changing every year. Financing can be year-based or allocated for the implementation of individual training packages.</p> | | |
| <p>Expected Results:</p> <ul style="list-style-type: none"> • Improvement of the primary health care knowledge and skills of citizens • The capacity of citizens to protect themselves and other people from diseases improved • Reduction of incidences of diseases and illness | | <p>Target Groups:</p> <ul style="list-style-type: none"> • Soum citizens |
| <p>Potential Stakeholders to Participate:</p> <ul style="list-style-type: none"> • SGO • Soum hospital | | <p>Potential Contributors:</p> <ul style="list-style-type: none"> • SGO • Businesses • Donors |
| <p>Preconditions:</p> <ul style="list-style-type: none"> • The needs in facility development determined • Training program, handouts and demonstration materials prepared • Local trainers trained | | <p>Risk Factors: None</p> |
| Estimated Budgets, million MNT: | | 8.0 |
| <ul style="list-style-type: none"> • Preparing training program, handouts and demonstration materials – 3.0 • Organizing training – 4.8 • Other costs – 0.2 | | |
| Contact Organization & Person: Soum hospital | | |
| Implementation Period: 2008–2015 | | Impact Period: The impacts will be sustainable |

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| Nº 24 | Project: G2:O3:Pr1:Pt5: Training household-based production (living art) | Program: G2:O3:Pr1: Upgrade skills and professional level of citizens |
| Short Description: This project will aim at assisting to adapt modern technologies to develop household production and increase household income. In order to achieve its primary goals, the project needs to arrange training and skill-upgrading activities for the introduction of technologies of processing and storage of livestock and crop products and residues, repair of primary tools and equipments that are used for cloth making, shoe repair and food shops as well as household level bookkeeping. The training will be organized in phases based on the local demands. The attendance of the training is voluntary. | | |
| Expected Results: <ul style="list-style-type: none"> Improvement and upgrading the knowledge and skills of people to run businesses and services Efficient and progressive technologies introduced at household level of local production Better disposal of monetary sources Increase in household income | | Target Groups: <ul style="list-style-type: none"> Soum citizens |
| Potential Stakeholders to Participate: <ul style="list-style-type: none"> SGO Agricultural extension centre | | Potential Contributors: <ul style="list-style-type: none"> SGO Businesses Donors |
| Preconditions: <ul style="list-style-type: none"> Personnel who volunteer to work as the trainers identified Training manuals and handouts prepared | | Risk Factors: None |
| Estimated Budgets, million MNT: | | 8.0 |
| Contact Organization & Person: SGO | | |
| Implementation Period: 2008–2015 | | Impact Period: A paid service offered will keep the impacts of the project viable and sustainable |

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| № 25 | Project: G2:03:Pr2:Pt1: Preparation of professional workers through professional background training for secondary school students | Program: G3:03:Pr2: Prepare professional workers |
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Short Description: The soum business enabling environment survey revealed that soum business faces a shortage of professional and skilled labor. The goal of the project is to pilot a training of professional labor/workers through the exploitation of the resources and facilities of the soum secondary school. Professional and skilled labor can be trained through inclusion of subjects to expose schoolchildren to additional vocational training in the background and subject-specific professional matters. The main components of the project are: (i) to develop and incorporate a subject on vocational training in the secondary school training program, (ii) repair and expand the school building to accommodate such activities, and (iii) upgrade equipment and facilities and provision of specialized trainers.

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| Expected Results: <ul style="list-style-type: none"> • Increase of the availability of professional and skilled labor • The youths and graduates from the soum secondary school acquired professional background and skills to serve local businesses • Reduction of unemployment and poverty | | Target Groups: <ul style="list-style-type: none"> • School children • Businesses |
| Potential Stakeholders to Participate: <ul style="list-style-type: none"> • SGO • Secondary school | | Potential Contributors: <ul style="list-style-type: none"> • Central government • SGO • Donors |
| Preconditions: <ul style="list-style-type: none"> • Training program, manuals and handouts prepared • A subject on professional and skill-upgrading training developed and included in the secondary school training program • Trainers and practical advisors prepared | | Risk Factors: <ul style="list-style-type: none"> • Delay in the making changes in the secondary school training programs |
| Estimated Budgets, million MNT: | | 100.0 |
| <ul style="list-style-type: none"> • Train local trainers and practical advisers • Repair and extension to the school building • Upgrade training equipment and facilities | | 2.0 50.0 48.0 |
| Contact Organization & Person: SGO | | |
| Implementation Period: 2009–2015 | | Impact Period: Training will be regular after the project completed |

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| Nº 26 | Project: G3:O4:Pr1:Pt1: Reconstruction of school building and school dormitory | Program: G3:O4:Pr1: Strengthen capacity of soum schooling service |
| <p>Short Description: The secondary school in the soum is running on two shifts and every year over 100 children left out being not provided accommodation in the school dormitory. The equipment and facilities of training and visual materials are too out-dated. All these poor conditions and non-upgraded training facilities negatively affect the overall performance of the schoolchildren. The aims of the project are to upgrade the conditions and facilities of training to the level the national standard and improve the quality of school training. The project will have components to implement: (i) repair and extension of the school and dormitory buildings to reduce the daily shifts, (ii) upgrade and improve equipment, facilities and visual materials, and (iii) strengthening the teaching staff. The individual components of the project can be supported and implemented as separate subproject or activity.</p> | | |
| <p>Expected Results:</p> <ul style="list-style-type: none"> • The conditions and facilities upgraded to meet the national standard • Improvement of the quality of school training • The art and performance of the teaching staff upgraded | | <p>Target Groups:</p> <ul style="list-style-type: none"> • Pupils of secondary school • Soum citizens |
| <p>Potential Stakeholders to Participate:</p> <ul style="list-style-type: none"> • Central government • SGO • Secondary school | | <p>Potential Contributors:</p> <ul style="list-style-type: none"> • Central government • Donors |
| <p>Preconditions:</p> <ul style="list-style-type: none"> • The budget and design of the work on repair and expansion of the buildings approved • A proposal on the upgrading equipment, facilities and visual materials developed | | <p>Risk Factors:</p> <ul style="list-style-type: none"> • Insufficient budget |
| Estimated Budgets, million MNT: | | 570.0 |
| <ul style="list-style-type: none"> • Upgrading and expansion of the school building • Upgrading and expansion of the school building • Upgrade and improve training equipment, facilities and visual materials • Upgrade the art and performance of the teaching staff | | 300.0 200.0 40.0 30.0 |
| Contact Organization & Person: SGO & Director, Soum secondary school | | |
| Implementation Period: 2007–2010 | | Impact Period: The functioning of the school will be improved resulting from the impacts of the project |

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| № 27 | Project: G3:O4:Pr1:Pt2: Establishment of an electronic library | Program: G3:O4:Pr1: Strengthen capacity of soum schooling service |
| <p>Short Description: The goals of the projects are: (i) re–arrange the soum library into an electronic one to ensure better access to the electronic information networking system, and (ii) set up an Internet service for the soum people. The components are:</p> <ul style="list-style-type: none"> • repair the spaces where the soum library is and install facilities for an electronic library • Complete all necessary arrangements for the re–establishing of the existing library into an electronic one • Install accesses to the electronic information networking system, and • Train the librarians in handling the electronic library service | | |
| <p>Expected Results:</p> <ul style="list-style-type: none"> • Improvement of the quality and accessibility of the library service • Improvement of collection and storage of information | | <p>Target Groups:</p> <ul style="list-style-type: none"> • Soum citizens |
| <p>Potential Stakeholders to Participate:</p> <ul style="list-style-type: none"> • SGO • Library | | <p>Potential Contributors:</p> <ul style="list-style-type: none"> • Donors • SGO |
| <p>Preconditions:</p> <ul style="list-style-type: none"> • Upgrading spaces where the library is located • Librarians trained | | <p>Risk Factors: None</p> |
| Estimated Budgets, million MNT: | | 12.0 |
| <ul style="list-style-type: none"> • Upgrading spaces where the library is located • Purchase and install equipment and facilities • Train the librarians | | <p>2.0</p> <p>9.5</p> <p>0.5</p> |
| <p>Contact Organization & Person: Ts.Khuvsguldalai, soum Governor</p> | | |
| <p>Implementation Period: One year</p> | | <p>Impact Period: After the project, the performance of the upgraded library will be improved</p> |

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| № 28 | Project: G3:04:Pr1:Pt3: Reconstruction of spaces of pre-school education for children and provision of pre-school training facilities | Program: G3:04:Pr1: Strengthen capacity of soum schooling service |
| <p>Short Description: Owing to the less availability of the spaces for classes, only 52.3% of children attend the kindergarten. The overall conditions of the kindergarten as a public service institution and equipment and supplies that are in use are badly out-dated and do not match the needs for a modern preschool education. Therefore, the project proposes to upgrade the building of the kindergarten and the training facilities to extend the coverage of the soum preschool education. The main activities of the project to be taken place are to extend the building of the kindergarten and upgrade training and visual materials.</p> | | |
| <p>Expected Results:</p> <ul style="list-style-type: none"> • The coverage of the soum preschool education extended • Improvement of the quality of education service | | <p>Target Groups:</p> <ul style="list-style-type: none"> • Soum citizens • Preschool children |
| <p>Potential Stakeholders to Participate:</p> <ul style="list-style-type: none"> • Central government • SGO • Soum kindergarten | | <p>Potential Contributors:</p> <ul style="list-style-type: none"> • Central government • Donors |
| <p>Preconditions:</p> <ul style="list-style-type: none"> • A proposal on upgrading equipment and facilities of the kindergarten developed • A proposal on design of upgrading building of the kindergarten prepared | | <p>Risk Factors:</p> <ul style="list-style-type: none"> • No sources earmarked in the government budget |
| Estimated Budgets, million MNT: | | 200.0 |
| <ul style="list-style-type: none"> • Preparing design of upgrading building of the kindergarten • Costs for upgrading and expansion of existing building of kindergarten • Establishing mobile kindergarten • Upgrading equipment and facilities of the kindergarten | | <p>4.0</p> <p>160.0</p> <p>14.0</p> <p>22.0</p> |
| Contact Organization & Person: SGO & Head, soum kindergarten | | |
| Implementation Period: 200–2011 | | Impact Period: The impacts will be maintained by the improved performance of the kindergarten |

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| №29 | Project: G3:05:Pr1:Pt1: Reconstruction and improvement of internal major roads (roads over Shivert and Dalt passes) | Program: G3:05:Pr1: Upgrade local hard infrastructures |
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Short Description: Because of poor roads, herders of 2 bags live in hard conditions than those of other bags and face difficulties in selling their products and accessing public and communal services that are located in the soum centre. Thus, the project aims at facilitating citizens of 2 bags with improved the conditions of living and production/marketing. The main activity to implement under the project is to re-build the roads over the main mountain passes: 20 km in Shivert Pass and 15 km in Dalt Pass. The soum has been taking some measures with its sources, but it faces enormous shortage of financial sources. Implementation of the project in individual components is feasible.

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| Expected Results: <ul style="list-style-type: none"> Improvement of the conditions for the selling products and accessing public and communal services by the citizens of 2 rural bags | | Target Groups: <ul style="list-style-type: none"> Soum citizens Citizens of Davaany ar and Ar tarkhi bags |
| Potential Stakeholders to Participate: <ul style="list-style-type: none"> SGO Bag citizens | | Potential Contributors: <ul style="list-style-type: none"> Donors Central government SGO |
| Preconditions: <ul style="list-style-type: none"> The design of the work on the re-building of the roads of the passes developed | | Risk Factors: None |
| Estimated Budgets, million MNT: | | 200.0 |
| <ul style="list-style-type: none"> Costs for preparing design of re-building roads | | 6.0 |
| <ul style="list-style-type: none"> Reconstruct 20 km road over Shivert Pass | | 90.0 |
| <ul style="list-style-type: none"> Reconstruct 20 km road over Dalt Pass | | 70.0 |
| <ul style="list-style-type: none"> Reconstruct 15 bridges and build 4 new bridges | | 34.0 |
| Contact Organization & Person: SGO, Ts.Khuvsgulalai, soum governor | | |
| Implementation Period: 2007–2010 | | Impact Period: The access of the citizens to services and markets improved soon after the project completed |

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| № 30 | Project: G3:O5:Pr1:Pt2: Connecting centers of Ar tarkhi and Bayankhoshuu bags to the central electricity grid | Program: G3:O5:Pr1: Upgrade local hard infrastructures |
| Short Description: The goals of the project are to make available a reliable source for the supply of electricity to the citizens of Ar tarkhi and Bayankhoshuu bags so that the conditions for production and living are improved and facilitated. Therefore, the project is to achieve a direct connection of those two bags to the central electricity grid. | | |
| Expected Results: <ul style="list-style-type: none"> Improvement of the conditions for the selling products and accessing public and communal services by the citizens of Ar tarkhi and Bayankhoshuu bags Facilitation of expansion of the scope of production and marketing by households of Ar tarkhi and Bayankhoshuu bags | | Target Groups: <ul style="list-style-type: none"> Citizens of Ar tarkhi & Bayankhoshuu bags |
| Potential Stakeholders to Participate: <ul style="list-style-type: none"> Central government SGO Professional organizations | | Potential Contributors: <ul style="list-style-type: none"> Central government SGO |
| Preconditions: <ul style="list-style-type: none"> A proposal on the budget and design of the work on the connection to the central grid developed | | Risk Factors: <ul style="list-style-type: none"> No budget made available from the central government |
| Estimated Budgets, million MNT: | | 150.0 |
| <ul style="list-style-type: none"> Costs for preparing design and budget estimates of work to connect 2 bags with the central electricity grid | | 8.0 |
| <ul style="list-style-type: none"> Costs to connect 2 bags with the central electricity grid | | 142.0 |
| Contact Organization & Person: SGO, Ts.Khuvsguldalai, soum governor | | |
| Implementation Period: 2009–2013 | | Impact Period: After the project completed, the impacts are sustained |

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| № 31 | Project: G3:05:Pr2:Pt1: Establishment of a public and communal service at centers of Ar tarkhi and Davaany ar bags | Program: G3:05:Pr2: Upgrade centers of rural bags |
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Short Description: Because of the poor accomplishment of rural bags and lack of suitable spaces, bags fail to assure a regular delivery of public and communal service to the rural people, especially to herders. No businesses are able to bring their services to herders. A mobile service is always expensive and costly. This project is to accomplish activities to upgrade bag centers with comfortable spaces for public and communal services so that access of herders made easier than ever before. The major components of the project are to construct a building to accommodate bag office, information centre, bath, shop, and communal service at the centre of Ar tarkhi and Davaany ar bags along with appropriate upgrading internal facilities.

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| Expected Results: <ul style="list-style-type: none"> Improved possibilities of accessing public and basic communal services by herders. Extending and streamlining the cooperation and association between local administration and rural dwellers | | Target Groups: <ul style="list-style-type: none"> Citizens of Ar tarkhi & Davaany ar bags Businesses |
| Potential Stakeholders to Participate: <ul style="list-style-type: none"> SGO Donors Businesses | | Potential Contributors: <ul style="list-style-type: none"> Central government Donors SGO |
| Preconditions: <ul style="list-style-type: none"> Demands and ways of delivering the services identified Design and budget estimates of the bag centre administrative service units elaborated | | Risk Factors: <ul style="list-style-type: none"> Poor availability of local sources and central budget |
| Estimated Budgets, million MNT: | | 250.0 |
| <ul style="list-style-type: none"> Costs for preparing design and budget estimates of construction of building of administrative and communal services of Ar tarkhi and Davaany ar bags | | 12.0 |
| <ul style="list-style-type: none"> Costs for preparing design and budget estimates of construction of building of public bath, information centre and communal service of Ar tarkhi bag | | 105.0 |
| <ul style="list-style-type: none"> Costs for preparing design and budget estimates of construction of building of public bath, information centre and communal service of Davaany ar bag | | 105.0 |
| <ul style="list-style-type: none"> Costs for upgrading lighting, green areas and roads | | 28.0 |
| Contact Organization & Person: SGO, Ts.Khuvsguldalai, soum governor | | |
| Implementation Period: 2 years from 2008 | | Impact Period: The impacts are sustained after the project completed |

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| Nº 32 | Project: G4:O1:Pr1:Pt1: A general plan of soum development | Program: G4:O1:Pr1: Improve the public service |
| <p>Short Description: With estimates of the existing resources and capacities, the mid-term socio-economic development perspectives of Tarialan soum, Khuvsgul aimag will be marked on a territorial map. The general plan identifies the mid-term development parameters in junction with the national and regional development strategies and aimag development plans: key natural and economic resources such as land, forest, water, pasture and hayland, drinking and sewage water systems and the contemporary status of the exploitation of various types of land and other economically important resources, major productive indicators and geographic distribution of main economic sector and national and locally-important infrastructure, such as road, communication, electricity, water resources, etc. In such way, the general plan highlights the primary conceptual and managerial issues for the implementation of the soum LED strategy by linking with key development issues and making the business environment more transparent and looking for the future.</p> | | |
| <p>Expected Results:</p> <ul style="list-style-type: none"> • Development of a general soum development plan developed • Creation of sound legal environment for ownership, possession and exploitation of key sources useable for business development improved • Integration of development planning of soum economy and business with national, regional strategies and aimag development plans • Allocation of soum businesses and citizens an equal development opportunities • The transparency in development policy assured | | <p>Target Groups:</p> <ul style="list-style-type: none"> • SGO |
| <p>Potential Stakeholders to Participate:</p> <ul style="list-style-type: none"> • SGO | | <p>Potential Contributors:</p> <ul style="list-style-type: none"> • Central government • Donors |
| <p>Preconditions:</p> <ul style="list-style-type: none"> • A soum LED strategy developed • Based on the regional development concepts, the future directions of soum development reviewed | | <p>Risk Factors: None</p> |
| Estimated Budgets, million MNT: | | 15.0 |
| <ul style="list-style-type: none"> • Preparation work • Development of the plan • Consultation and public awareness activities | | 1.1 12.0 1.9 |
| Contact Organization & Person: SGO, Ts.Khuvsguldalai, soum governor | | |
| Implementation Period: 3 months | | Impact Period: The impacts will be sustainable until 2015 as minimum |

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| № 33 | Project: G4:O1:Pr1:Pt2: Reconstruction of soum public administration office | Program: G4:O1:Pr1: Improve the public service |
| Short Description: Because of lack of an entire office building, the soum SCRKh and SGO have their working spaces located in small separate buildings. The insufficient spaces make the delivery of public services short-handed and initiating new services impossible. The working conditions of the civil servants have been unsatisfactory. The project has to accomplish a goal to build an office building to create better and easy-to-access services and introduce "one stop shop" service. In addition, this project will have a separate component on upgrading of the building and facilities of the soum public administration offices. | | |
| Expected Results: <ul style="list-style-type: none"> • An office that accommodates local government built up • Improvement of the conditions for and easiness to access, public services • The working conditions for the soum civil servants improved with the introduction of new forms of service delivery | | Target Groups: <ul style="list-style-type: none"> • Soum citizens • Soum civil servants |
| Potential Stakeholders to Participate: <ul style="list-style-type: none"> • SGO | | Potential Contributors: <ul style="list-style-type: none"> • Central government |
| Preconditions: <ul style="list-style-type: none"> • A design and cost for building a local administration office developed and approved | | Risk Factors: <ul style="list-style-type: none"> • Poor availability of central budget investment |
| Estimated Budgets, million MNT: | | 150.0 |
| <ul style="list-style-type: none"> • Costs for preparing a design and cost for building a local administration office | | 10.0 |
| <ul style="list-style-type: none"> • Construction of building and external and internal work and facility upgrading | | 140.0 |
| Contact Organization & Person: SGO, Ts.Khuvsguldalai, soum governor | | |
| Implementation Period: 2 years | | Impact Period: After the project, the impacts will be kept in a sustainable way |

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| Nº 34 | Project: G4:O1:Pr1:Pt3: Establishment of "Public service one stop shop" | Program: G4:O1:Pr1: Improve the public service |
| <p>Short Description: The immediate aims of the project are to facilitate further improvement of the business-enabling environment through creation of a "One stop shop" for the citizens, businesses and other people seeking local public services. The shop will serve as a site, where people could get/ access business information, civil/public service and consultancy on various aspects of business development and other operational service. The shop will set up a computer network that connects all service officials after all civil officers are brought together along with facilities for information networking and dissemination, extension of the business development office and internet/FM business advertisement. By setting up such shop, pleasant opportunities will be opened up for the beneficiaries to receive all service at once. It is expected that the transparency of the public service will be largely improved and the service will be made more operational.</p> | | |
| <p>Expected Results:</p> <ul style="list-style-type: none"> • Creation of a "One stop shop" • The key public services are brought together and improvement of the quality of public services • The service made more transparent and less bureaucratic and operational • Elimination of corruption and abuse of legal settings | | <p>Target Groups:</p> <ul style="list-style-type: none"> • Soum citizens • Businesses • SGO |
| <p>Potential Stakeholders to Participate:</p> <ul style="list-style-type: none"> • SCRKh • SGO | | <p>Potential Contributors:</p> <ul style="list-style-type: none"> • SGO • Donors • Businesses |
| <p>Preconditions:</p> <ul style="list-style-type: none"> • A space where the shop is located is to be identified • A list of equipment and facilities made | | <p>Risk Factors: None</p> |
| Estimated Budgets, million MNT: | | 30.0 |
| <ul style="list-style-type: none"> • Costs for organizational work • Repair and upgrading working space • Equipment and facilities | | 2.0 8.0 2.0 |
| <p>Contact Organization & Person: Ts.Khuvsgulalai, Governor, Tarialan soum D.Batjargal, Deputy governor</p> | | |
| Implementation Period: One year | | Impact Period: In months after the project completed |

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| № 35 | Project: G4:02:Pr1:Pt2: Establishing a soum development financial sources designated for SME development | Program: G4:02:Pr1: Support to cooperation among local businesses |
| <p>Short Description: The soum government has taken an initiative to set up a soum development fund to initialize the financial support to the local SME development. A small amount of source that has been collected however, seems so far too little to offer remarkable supports. The aim is to set up the soum SME development fund as a source for soft loans and provide support/joint sponsoring soum-level activities on the improvement of the local business environment and other business risk mitigating initiatives. Having such fund replenished, the local administration will become able to provide direct and larger supports to local businesses. It has been planned to seek opportunities to build up the fund through attracting contributions from local businesses, investors and donors in both official and charity basis.</p> | | |
| <p>Expected Results:</p> <ul style="list-style-type: none"> • The sources kept in the fund increased • The support by and potentials of the local government to assist soum SME with own financial sources strengthened | | <p>Target Groups:</p> <ul style="list-style-type: none"> • SGO • Businesses |
| <p>Potential Stakeholders to Participate:</p> <ul style="list-style-type: none"> • SCRKh • SGO • Businesses | | <p>Potential Contributors:</p> <ul style="list-style-type: none"> • Central government • SGO • Donors • Businesses |
| <p>Preconditions:</p> <ul style="list-style-type: none"> • Surveying potential businesses, investors and donors to support • On a participatory basis, a rule for the disposal and replenishing the fund developed | | <p>Risk Factors: None</p> |
| Estimated Budgets, million MNT: | | 100.0 |
| Contact Organization & Person: SGO | | |
| Implementation Period: Limited to the project life | | Impact Period: Impacts are visual in one year after the project |